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Japan

'Voluntary Plans' Snag Auto Talks

OW0405023995 Tokyo KYODO in English 0226 GMT 4 May 95

[By Kohei Murayama]

[FBIS Transcribed Text] Vancouver, May 3 KYODO—Japanese and U.S. trade ministers failed to reach a major breakthrough in the crucial auto trade talks with disputes heightening over the thorniest issue of "voluntary" plans, but they agreed to meet again Friday [5 May].

After a six-hour round of top-level sessions, U.S. Trade Representative Mickey Kantor told reporters that he and Japanese International Trade and Industry Minister Ryutaro Hashimoto agreed to meet again Friday in the nearby ski resort town of Whistler after a follow-up expert session Thursday.

Indicating that there is a long way ahead to resolve the crucial talks, Kantor described the meeting as "the fifth inning of the nine innings," while Hashimoto right next to him said, "it's like today's weather" in Vancouver where gloomy rain continued throughout the day.

Kantor said the two parties had "detailed and extensive discussions, covering dealerships, deregulations of after-markets, and parts purchases."

But the meeting apparently featured the voluntary plans, with Kantor starting off by stressing the need for the plans by Japanese automakers to boost purchases of foreign parts. The 1992 plans expired in March.

The Japanese side accepted discussions on the plan for the first time in formal negotiations in the auto and auto parts—the only unresolved priority area under the bilateral framework talks after nearly two years.

Emerging from a series of morning and luncheon meetings, Kantor stood by advice to make "a joint statement to put it straight," while Hashimoto said, "we had discussions on the voluntary plans...And will continue our discussion (in the afternoon) on various issues, including voluntary plans."

After the day's meeting, a top negotiator from the Japanese Ministry of International Trade and Industry (MITI) denied that Japan has made a compromise on the issue.

"Our ministry flatly rejected to take up (the voluntary plans issue) in government-level negotiations" as Japan has been insisting that such private-sector business is out of government control, Yoshihiro Sakamoto, MITI's vice minister for international affairs, told reporters.

Hashimoto told reporters last Friday that if the U.S. "keeps sticking to the idea, I am sorry to say that the auto talks are doomed to fail."

A conference source said the Japanese side is marking time to confirm whether or not U.S. negotiators will call for governmental commitment on the voluntary plan, and if they clearly make such a demand at formal negotiations.

Sakamoto said the U.S. side noted the key role played in the past by voluntary plans for boosting foreign parts sales in Japan, but did not precisely call for the Japanese Government's involvement for automakers renewing the plans.

Japanese automakers have refused to extend or revise the plans they made during a visit to Japan in 1992 by then U.S. President George Bush.

Senior U.S. officials told reporters said the U.S. is deciding whether or not to take punitive actions against Japan.

The National Economic Council (NEC) is slated to hold a meeting this weekend to assess the talks in Canada, and NEC head Laura Tyson said, "if they do not (succeed), we have to consider other options available to us."

U.S. officials have indicated other options as issuing a list of items subject to punitive tariffs under a Section 301 probe initiated last October into Japan's replacement parts market.

Speaking to reporters before his talks with Hashimoto, Kantor said, "the U.S. is focused on a meaningful solution in all three areas of concern" for an "equitable agreement which represents reciprocal trade," he added.

Hashimoto has been insisting that Japan would break off the roundtable talks if the U.S. issues the sanction lists, and would file a countercomplaint with the World Trade Organization.

Kantor and Hashimoto moved to Whistler after the talks for a three-day "quad" meeting of trade ministers that starts Wednesday evening.

As for the other issues, some progress was made, but "considerable" differences remained, sources said.

But Sakamoto repeated that Japan's stance is unchanged, referring to his comments in March that the two parties are ready to "shake hands" if the U.S. drops its demand for renewing the 1992 voluntary plans.

Tokyo, Washington Agree on Security Cooperation

OW0405041595 Tokyo KYODO in English 0355 GMT 4 May 95

[FBIS Transcribed Text] Washington, May 3 KYODO—Japan and the United States agreed Wednesday [3 May] to begin working to issue a joint statement to give a fresh significance to the bilateral security treaty when their leaders meet in November, Japanese officials said.

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The two countries reached an accord during working-level talks in the suburbs of Washington to promote bilateral cooperation in the field of UN peacekeeping operations, they said.

The U.S. will cooperate with Japan's transportation and other kinds of duties in UN peacekeeping missions, and such cooperation is likely to be made a new role to be played by the treaty, they said.

Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton are scheduled to hold discussions during November meetings in Osaka of the Asia-Pacific Economic Cooperation (APEC) forum.

To prepare the proposed joint statement, the two countries' ministers in charge of security affairs will meet around late September, when the UN General Assembly meeting is held, the officials said.

The working-level talks came on the heels of Tuesday's meeting between visiting Japanese Defense Agency Chief Tokuichiro Tamazawa and U.S. Defense Secretary William Perry at the Pentagon.

In Tuesday's talks, Tamazawa rejected a U.S. request for Japan to pay more for U.S. troops stationed in Japan, agency officials said.

Tamazawa, however, was positive about Perry's proposal for early conclusion of the acquisition and cross-servicing agreement to facilitate fuel and transportation duty swaps between Japan Self-Defense Forces and the U.S. military, the officials said.

Accord Reached With EU on Marine Products

OW0405053295 Tokyo KYODO in English 0433 GMT 4 May 95

[FBIS Transcribed Text] Brussels, May 4 KYODO—Japan agreed to boost government supervision on domestic marine processing facilities during talks with the European Union (EU) on Wednesday [3 May] over the latter's ban on imports of Japanese marine products.

Japan decided to take improvement measures after both sides agreed that the EU would lift its ban, imposed in early April, if the hygiene of Japanese marine processing facilities is proven, a Japanese official said.

Stricter steps will be taken for inspecting and approving the hygiene control at marine factories as early as mid-May, the official said. Japan hopes that the eu will lift the ban by the summer after making its next inspection at the facilities.

As part of improvement measures, the facilities will be inspected by food hygiene inspectors sent directly from the Health and Welfare Ministry instead of by local government authorities.

In the future, Japan will send a revised version of its marine product regulations and a new list of approved facilities to the EU.

Japanese officials said it became clear in the talks the current EU ban also applies to imports of dried shrimps and dried bonito shavings in instant cup noodles, but not to seaweeds.

It is not yet decided whether the ban applies to the marine products that individuals bring into the EU.

Japan's exports of marine products to the EU amounted to about 3 billion yen last year.

Murayama Urges PRC Action on Human Rights

OW0405004095 Tokyo KYODO in English 0011 GMT 4 May 95

[FBIS Transcribed Text] Beijing, May 4 KYODO—Japan's Prime Minister Tomiichi Murayama on Wednesday [3 May] indirectly urged China's efforts to resolve the human rights issue in the country.

Speaking at a banquet hosted by Chinese Premier Li Peng at the Great Hall of the People, Murayama described the issue as a "common task" of the world, Japanese officials said.

China has been under pressure for its treatment of those who are opposed to the current communist regime and those calling for a full democracy, and also for the freedom of press and religion in China.

The Japanese premier who arrived in Beijing on Tuesday on a five-day official visit to China, also pointed to the need for the preservation of ibises, a bird species that is close to extinction.

He also touched on the recent death of one of only two Japanese crested ibises left in Japan and called for bilateral cooperation in the preservation of the species, the officials said.

Li, who held a lengthy meeting with Murayama earlier Wednesday, told him that China attaches importance to the balance among reform, development and stability in managing its fast-growing economy, they said.

MITI To Resume Trade Insurance for Burma

OW0205111795 Tokyo KYODO in English 1108 GMT 2 May 95

[FBIS Transcribed Text] Tokyo, May 2 KYODO—The Ministry of International Trade and Industry (MITI) said Tuesday [2 May] it will soon resume underwriting insurance for trade with Myanmar [Burma].

The decision was conveyed to Myanmar's Deputy Prime Minister Maung Maung Khin in Yangon [Rangoon] the same day, ministry officials said.

MITI had suspended trade insurance for Japanese business sectors dealing with Myanmar since 1988 due to political and economic confusion in the country.

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With recent political stability and the introduction of a market economy, however, Myanmar is growing into a promising market like China and Vietnam, they said.

MITI resumed in February underwriting insurance for Japanese businesses investing in Myanmar, and will also soon resume providing insurance for trade with the country, they said.

Already, the ministry has decided to approve investment insurance for Mitsui and Co. for its planned joint projects to establish a company for automobile importing and selling, and to develop an industrial complex in the country, the officials said.

Tokyo Grants Aid to Developing Nations

Indonesia: 1.23 Billion Yen

OW0205045695 Tokyo KYODO in English 0405 GMT 2 May 95

[FBIS Transcribed Text] Tokyo, May 2 KYODO—Japan will give Indonesia grant-in-aid totaling 1.23 billion yen to assist three projects to improve transportation environment, food quality control and medical care in the country, Foreign Ministry officials said Tuesday [2 May].

Japanese Ambassador to Indonesia Taizo Watanabe and Soemadi Brotodiningrat, the Indonesian Foreign Ministry's director general for foreign economic relations, exchanged documents on the Japanese aid in Jakarta earlier in the day.

Of the aid, 525 million yen will be extended for a project to improve environment management accociated with road transportation, the ministry said.

Another 448 million yen will be provided for a project to improve provincial laboratories for food and medicine quality control and 259 million yen to beef up medical equipments at the Presahabatan Hospital in eastern Jakarta, it said.

The latest aid brought the total amount of Japanese grant-in-aid to Indonesia in fiscal 1994 to 7 billion yen.

Burma: 8 Million Yen

OW0205064495 Tokyo KYODO in English 0626 GMT 2 May 95

[FBIS Transcribed Text] Tokyo, May 2 KYODO—Japan will give Myanmar [Burma] emergency relief goods worth 8.12 million yen to help the victims of a fire that swept through a central town last week, Foreign Ministry officials said Tuesday [2 May].

The goods, including blankets and plastic sheets, will be extended through the Japan International Cooperation Agency (JICA), the officials said.

The fire last Thursday in Bago, 70 kilometers northeast of Yangon [Rangoon], left more than 4,500 people homeless and destroyed 745 houses.

St. Vincent: 720 Million Yen

FL2804225595 Bridgetown CANA in English 2125 GMT 28 Apr 95

[FBIS Transcribed Text] Bridgetown, Barbados, April 28, CANA—Japanese Ambassador Takeshi Tsuruta has handed over two fisheries centres to the St. Vincent and the Grenadines Government. The centres at Bequia and Union Island as well as expansion of the marketing facilities of the New Kingstown fish market were financed with grant aid from the Government of Japan in the amount of 720 million Yen (EC21.6 million), a release from the Embassy of Japan said. This was the third fisheries project financed by the Japanese Government here. "The Japanese Government hopes to contribute significantly to the improvement of the fishing industry in St. Vincent and the Grenadines through its grant aid and to further strengthen the friendly and cooperative relations which already exist betwen the two countries," a release from the Japanese Embassy added.

Qatar: $1,995 Million Loan

OW0105060495 Tokyo KYODO in English 0457 GMT 1 May 95

[FBIS Transcribed Text] Tokyo, May 1 KYODO—An international syndicate of 17 banks, led by the Industrial Bank of Japan (IBJ), has agreed to provide a loan of 1,995 million dollars to a Qatar joint venture for production of liquefied natural gas (LNG), the Major Long-Term Credit Bank announced Monday [1 May].

The syndicate also includes the Bank of Tokyo, Fuji Bank and Sakura Bank.

The loan will be offered to Qatar Liquefied Gas Co., owned by the government-backed Qatar General Petroleum Corp., Japanese trading houses Marubeni Corp. and Mitsui and Co., and Mobil Corp. of the United States, the bank said.

The joint venture plans to use the loan to finance the construction of two sections of a liquefaction plant with an annual production capacity of 2 million tons each, it said.

Total capital investment of 2.9 billion dollars is projected for the plant, which is to produce LNG at a major natural gas oil field in Qatar for export to Japan.

The joint venture has already agreed to ship 4 million tons of LNG annually to Japan's Chubu Electric Power Co. for 25 years, beginning in January 1997.

MOFA Considers Cut in Yen-Based Loan Rates

OW0305113195 Tokyo MAINICHI SHIMBUN in Japanese 2 May 95 Morning Edition p 9

[FBIS Translated Text] The Ministry of Foreign Affairs [MOFA] has started studying the possibility of reducing

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the interest rates of yen-based loans for developing countries. If the reduction is decided on, it will be the first revision of the interest rates in four years since 1991.

The study on the rate reduction follows the further fall of local loan interest rates after a cut in the official discount rate in April. A purpose of the reduction is to help alleviate the loan recipient countries' growing debt burdens from the yen's appreciation, and thus to prevent the countries from "leaving yen-based loans."

The interest rates for the yen loans are currently set based on recipient countries' gross national product (GNP) rates, basically by dividing recipient countries into four categories with rates of 5, 3, 2.6, and 1 percent to apply.

However, now that the interest rates for the Japan Export and Import Bank's [JEIB] untied loans, which are similar to the yen loans in nature, have fallen to 4.2 percent—as their rates are tied to the long-term prime rates of banks—some of the yen-loan interest rates have come to top the rates for JEIB untied loans while the yen loans are supposed to "aid" loans for developing countries. Therefore, the ministry is considering lowering the yen loan's interest rates to a level where the gap will not exist.

China, Vietnam, Malaysia, and several other developing nations have complained that their debt burdens from the yen loans have increased due to the yen surge in the last several years. The MOFA thinks that it is difficult to help the nations on past yen loans, but possible to alleviate some burdens from new loans.

Takemura 'Cautious' on Idea

OW0405034195 Tokyo KYODO in English 0320 GMT 4 May 95

[FBIS Transcribed Text] Auckland, May 4 KYODO—Japanese Finance Minister Masayoshi Takemura on Thursday [4 May] sounded cautious about other Asian countries' call for easier terms of yen-denominated loans.

The Asian recipient countries' plea has been prompted by the yen's surge in value against the dollar, which increases debtor countries' repayments on such loans.

Takemura told a news conference, however, Japan has "no plans to change yen-loan terms according to fluctuations in foreign exchange dealings."

"Exchange risks are unavoidable under the current floating-rate system," Takemura said. But he quickly added that Japan will "listen to the views of recipient countries as the economic situation differs from one country to another."

Takemura also said Japan has agreed to a proposal by the Association of Southeast Asian Nations (ASEAN) to hold regular talks of finance ministers. The proposal was made at an ASEAN meeting in mid-April, he added.

Honda Chief Outlines Response to High Yen

OW0405033595 Tokyo ASAHI SHIMBUN in Japanese 30 Apr 95 Morning Edition p 9

[Interview with Honda Motor Corporation President Nobuhiko Kawamoto, by unidentified ASAHI SHIMBUN reporter; place and date not given; first paragraph is ASAHI SHIMBUN introduction]

[FBIS Translated Text] Negotiators from Japan and the United States will discuss the auto issue at the Japan-U.S. economic framework talks to be held during Golden Week, and some hold the view that the yen will further appreciate depending on how the talks proceed. In response to the sharply appreciated yen, Honda Motor Company plans to keep its domestic assembly lines operating by sharply cutting back on car exports and boosting the sales of cars in Japan. How will the major Japanese automaker deal with the yen, which has appreciated beyond anticipation?

[ASAHI SHIMBUN] Mr. President, how does your company plan to deal with the drastically appreciated yen?

[Kawamoto] Our company predicted a 95 yen to the dollar exchange rate for 1995. To explain our company's long-term measures to deal with the drastically appreciated yen, we have no choice but to cut back on orders to overseas suppliers for the design of production facilities and others to keep our auto workers employed, while increasing the overseas production of cars. It takes years to relocate auto production overseas and we are unable to respond to drastic changes in the yen-dollar exchange rate.

[ASAHI SHIMBUN] Will your company not suffer a sharp fall in car exports?

[Kawamoto] Our company's car exports will fall from its present level. We want to export 200,000-300.000 units a year in the medium term. To be sure, we expect a fall in our profits from the exports of those cars. We intend to make up for the reduced profits though importing more cars we manufacture overseas (which increase our profits thanks to the strong yen).

(ASAHI SHIMBUN) Will your company be able to keep domestic car production and employment at its present level?

[Kawamoto] Foremost priority must be given to employment in Japan. The only way to keep the number of exporting cars at the present level is to cut costs. This year, our company asked its suppliers to cut costs by 2 percent, but later asked them to cut them by 3 percent because of the recently appreciated yen.

Although it is widely said that job opportunities must be secured at home, our company is preoccupied with keeping the present auto workers employees employed. The auto industry has continued to curb the hiring of

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new employees or stopped hiring them altogether. This is a kind of layoff. The auto industry has actually cut auto workers.

We want to hold down prices, but keeping employees at workplaces is the basic principle for Japanese enterprises. Sacrificing employment requires a national consensus. It has become necessary to hold a debate on how to create an optimum system even if employment is sacrificed to some extent.

[ASAHI SHIMBUN] If Japanese automakers procure auto parts from abroad, this will cut costs. What is your comment?

[Kawamoto] The automobile is an assemblage of parts. Today, Japanese vehicles are qualitatively superior to their American counterparts because they are assembled with good parts. Foreign auto parts have the advantage in terms of cost. But we cannot adopt them if their quality is poor. We have already purchased quality and cheap auto parts. We cannot degrade Japanese vehicles simply because of costs.

Fortunately, Japanese automakers have completed preparations for car production in the United States and Europe. For example, they can export auto parts and cars manufactured in Europe to the United States and Japan. They still have room to consider using their overseas production network to deal with the sharply appreciated yen, but they have no experience in actually doing so. The Japanese auto industry should take measures to deal with the drastically appreciated yen while looking to the future. This is the only thing the Japanese auto industry can do right now.

Automakers To Continue Restraint on New Hiring

OW0305060695 Tokyo KYODO in English 0513 GMT 3 May 95

[FBIS Transcribed Text] Tokyo, May 3 KYODO—Japanese automakers will keep restraining the hiring of fresh graduates next spring as they expect the economic recovery to slow down due to the strong yen, officials of automakers said Wednesday [3 May].

Mazda Motor Corp., which skipped dividend payment in Fiscal 1993 for the first time in its history and is expected to post a pretax loss of 33 billion yen in fiscal 1994, will reduce employment of new university graduates to almost zero for the second year running.

The Hiroshima-based automaker has been carrying out a three-year restructuring plan to March next year under which about 3,000 jobs are slashed.

However, the strong yen has forced Mazda to reduce its production and workforce further.

A senior official of Mazda said the company can hire few fresh graduates next spring.

Yoshifumi Tsuji, president of Nissan Motor Co., said that the company will "leave new hiring for next year roughly unchanged from last year," meaning no hiring of university graduates for clerical work.

Nissan is expected to report its worst ever pretax loss of about 60 billion yen for fiscal 1994, which ended March 31.

It plans to slash as many as 7,000 jobs in a three-year restructuring plan starting from the current business year.

Hiroshi Okuda, vice president of Toyota Motor Corp., said that the company will keep restraining the recruiting of new graduates next year.

The trend is seen in other industries, particularly among exporters, industry sources said, noting the job situation will remain tough for new graduates next year.

However, room for such a policy is limited, and the workforce at many Japanese companies has already been reduced to the minimum level, some of the sources said.

A Mazda official said workforce curtailment has brought about problems such as imbalance in age and experience among workers that makes it difficult to hand down technologies.

Rice Overstock Likely To Delay Rice Imports

OW0305100995 Tokyo SANKEI SHIMBUN in Japanese 28 Apr 95 Morning Edition p 11

[FBIS Translated Text] The Food Agency planned to offer the first tender in May for rice imports pursuant to the Uruguay Round agreement. However, the possibility has emerged that the Food Agency will be forced to review the plans to import rice in the face of opposition from ruling Liberal Democratic Party [LDP] norinzoku [legislators who champion agricultural interests]. The LDP norinzoku are arguing against importing the rice, saying: "Japan does not need to hurriedly import rice although it is internationally committed to doing so." As the reason for their opposition to the imports, they cite the current stockpile of 980,000 tons of rice, which was hurriedly imported following the 1994 poor rice crop. While the Food Agency plans to coordinate the plans again with the ruling parties at the end of the May Golden Week, rice importers, who plan to import newly harvested rice from Australia, are not hiding their embarrassment.

Japan is committed to opening its rice market under the Uruguay Round agreement and, under that commitment, Japan will have to import 426,000 tons of rice this year and phase up its minimum access to 852,000 tons in 2000.

According to the Food Agency plans submitted to the LDP Agriculture and Forestry Division, of the 426,000 tons of rice to be imported this year, 6,000 tons will be imported by rice importers and wholesalers through the

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simultaneous buy and sell tender system (SBS) in which they all participate, and the rest will be imported by the government.

The Food Agency planned to offer the first SBS for the import of 2,800 tons of rice in May.

In response, the LDP norinzoku have expressed a hard-line view against rice imports, saying: "The government should hold international negotiations to defer implementing this year's minimum access." They are believed to have argued against rice imports taking into consideration the July upper house elections. Some legislators affiliated with the ruling Social Democratic Party of Japan are also arguing for deferring the planned rice imports.

The Food Agency is agonizing over how to deal with the planned imports, saying: "We will not present rice importers with our plans to import rice before we coordinate them with the ruling parties." Sun Rice, a joint-venture company, which was established by a Japanese rice importer and the Australian Rice Producers Association, plans to watch how the rice import issue will develop in the future, saying: "We have no choice but to go along with Japan's decision."

MITI Surveys Consumers on Import Purchases

OW0105015795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Apr 95 Morning Edition p 5

[FBIS Translated Text] Almost half of consumers who imported goods directly from dealers abroad for personal use are dissatisfied with the goods they bought or experienced trouble during the process of importing them. This was disclosed by a survey conducted by the Ministry of International Trade and Industry [MITI]. Many of the consumers complained, among other things, that "it takes too long to import goods," and "the tariff and shipping cost were higher than I expected." However, many of them are satisfied with their purchases and nearly 90 percent of them answered that they will continue to import goods in this way.

The MITI entrusted the Association for the Promotion of Imports of Consumer Products with the task of carrying out the survey, which was conducted last November and December, questioning about 500 consumers who had purchased goods from abroad.

They were asked to give more than one answer regarding their dissatisfaction with their purchases or trouble they experienced. One in three consumers said that tariff and shipping cost were higher than they expected and that it took too long. More than a quarter of the consumers said that "size and standards are different" and that they "received different goods." However, it is lower than the percentage of respondents who answered the same during a survey conducted in 1990. It seems that "consumers are getting used to the special procedures involved in importing goods," (according to the association).

More than 90 percent of the consumers are satisfied with their purchases. Those who bought outdoor goods, books, video tapes, CD's, or cosmetics answered that they were "satisfied" or "satisfied to a certain degree." Despite their dissatisfaction and the troubles, 88 percent of the consumers said that they will "continue to import goods."

Authorities Deny Shinkin Bank in Trouble

OW0205130995 Tokyo KYODO in English 1226 GMT 2 May 95

[FBIS Transcribed Text] Tokyo, May 2 KYODO—The Finance Ministry formally denied Tuesday [2 May] news reports that monetary authorities are mulling liquidation of a financially troubled shinkin bank in northern Japan.

A statement issued by Finance Minister Masayoshi Takemura and distributed by the ministry in Tokyo retracted his earlier remark and denied the reports as totally unfounded.

Takemura, now in Auckland, New Zealand, to attend a general meeting of the Asian Development Bank, was quoted earlier as saying the reported action by monetary authorities may be reasonable.

The reports said Noshiro Shinkin Bank in Akita Prefecture is weighed down with a heavy burden of nonperforming loans and its management and monetary authorities are considering liquidating it and transferring its assets to Akita Bank, a major regional bank in the region.

The reports sent depositors rushing to withdraw their money, bank officials said.

The top regional officials of the Ministry of Finance [MOF], the Bank of Japan [BOJ] and the Central Cooperative Bank for Shinkin Banks issued a joint statement denying the reports that Noshiro Shinkin Bank is in financial straits.

The statement appealed to depositors to remain calm and act with common sense, saying the bank is doing its best to improve its management base.

Public Works Bid-Rigging Case Discussed

OW2704141995 Tokyo KYODO in English 1344 GMT 27 Apr 95

[FBIS Transcribed Text] Tokyo, April 27 KYODO—Former executives of a public sewage company being investigated for bid rigging have admitted the company's involvement in the case, knowledgeable sources indicated Thursday [27 April].

The Fair Trade Commission (FTC) filed a petition with prosecutors last month asking them to open a criminal investigation into nine electric equipment companies for allegedly rigging bids for projects for the Japan Sewage Works Agency two years ago.

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An FTC official has said there were signs that agency officials were involved in bid rigging, but agency president Itaru Nakamoto has denied the involvement of agency staff.

One of the former agency executives in question is a public servant sent from a municipality to the agency two years ago-and another is a then agency executive responsible for public works projects.

They are alleged to have leaked information about public works projects to the nine companies and picked successful bidders before tenders were issued.

The nine companies accused have reportedly admitted their involvement in the alleged bid-rigging practice. They include five major electrical firms—Hitachi Ltd., Toshiba Corp., Mitsubishi Electric Corp., Fuji Electric Co. and Meidensha Corp.

Power Companies Seek 'Pluthermal' Approval

OW0405035795 Tokyo ASAHI SHIMBUN in Japanese 29 Apr 95 Morning Edition p 1

[FBIS Translated Text] It was recently learned that the Federation of Electric Power Companies plans to officially ask Zengenkyo, a committee composed of municipalities where there are nuclear power plants, for approval to introduce a "pluthermal [plutonium thermal use]" system into the existing nuclear power plants. The request will be made after the May holiday season. Under the pluthermal system, a mixture of plutonium and uranium will be used as fuel. Although the government plans to introduce the system in several nuclear power plants in the latter half of the 1990's, it has not disclosed details, such as the sites where the system will be introduced and when it will begin negotiations with the concerned municipalities.

The system is expected to be introduced first at nuclear power plants in Fukushima, Fukushima Prefecture; Kashiwazaki, Niigata Prefecture; Takahama, Fukui Prefecture; Hamaoka, Shizuoka Prefecture; and Tsuruga, Fukui Prefecture. These plants are operated by Tokyo Electric Power Company, Kansai Electric Power Company, Chubu Electric Power Company, and Japan Atomic Power Company, respectively. The government is believed to be negotiating with these cities for the introduction of the system.

However, talks with these cities will have a rough going because they have expressed apprehension over the use of plutonium, a substance that can be used for nuclear weapons. If the government's pluthermal plan is not carried out as scheduled, the production and consumption of plutonium will not balance. It will also greatly affect Japan's nuclear energy development project.

Under the pluthermal system, spent nuclear fuel will be reprocessed to extract plutonium. The extracted plutonium will then be mixed with uranium to produce a mixed-oxide (MOX) fuel, which will be burned in light-water reactors installed at ordinary nuclear power plants. Considering the MOX fuel to be a new energy source that can replace fossil fuel, the government and electric power companies have promoted the recycling and reprocessing of spent nuclear fuel. It is expected that by 2010, Japan will have about 70 to 80 tons of plutonium from the reprocessing of spent nuclear fuel both at home and abroad.

In view of nuclear nonproliferation, the international community is critical of Japan's plutonium use. In an attempt to avert this criticism, the Japanese Government pledged "not to possess excess plutonium through the development of a fast-breeder reactor and the introduction of a pluthermal system" in its long-term nuclear energy development project.

The fast-breeder reactor is a new type of reactor that can self-breed fuel: It can reproduce plutonium from plutonium by burning the substance. The government has completed the development of "Monju," the prototype of a fast-breeder reactor, but it is still unclear when the reactor will be put into practical use. It is possible that if the introduction of the pluthermal system is delayed, Japan may have excess plutonium in the 2000's, thus failing to keep its international commitment. To avoid this, electric power companies have decided to begin negotiations with concerned municipalities after unified local elections end.

They intend to obtain approval from municipalities with nuclear power plants by the end of the year. However, these cities have strongly opposed the introduction of the pluthermal system since the government began selecting sites where the system is introduced.

To realize the system's introduction, the government also needs to obtain prior approval from the United States based on the Japan-U.S. atomic energy agreement, and to conclude a nuclear energy cooperation accord with a country to which Japan will entrust producing the MOX fuel.

Hitachi To Sell Data Gathered by Satellites

Procurement Information Offered on Internet

OW0105110095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Apr 95 Morning Edition p 3

[FBIS Translated Text] In April, the government started to provide information on government procurement via database, and to supply information through the global computer communications network "Internet"; domestic personal computer communications networks; and the Japan External Trade Organization (JETRO)'s network.

It has been pointed out both in Japan and overseas that official gazettes are insufficient for supplying bid information on the government and its affiliated organizations' procurement of services and goods. In response to

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such claims, the government has decided to improve information supply procedures to facilitate participation by both Japanese and foreign enterprises in the government procurement market.

Information is available on personal computer communications services such as "Nifty Serve" and "PC-VAN." The government provides the full text of official gazettes on JETRO's domestic network, Nifty Service, and PC-VAN, while summaries of these documents in English are available through Internet.

The government included the plan on improving information procedures on procurement in the "action program for government procurement" mapped out in February 1994. As the expansion of market participation opportunities in the government procurement sector has become an issue at the Japan-U.S. Economic Framework Talks and other venues, the government decided to increase the transparency of procedures.

Hitachi To Sell Data Gathered by Satellites

OW0305121995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 May 95 Morning Edition p 1

[FBIS Translated Text] Hitachi Ltd. has entered the business of selling high-resolution video data gathered by satellites for use in disaster prevention and car navigation systems. It recently purchased a stake in EarthWatch, a U.S. satellite launcher, and obtained the exclusive right to sell video data in Asia. Hitachi will not only sell data, but will also develop systems to process and use data for various purposes.

EarthWatch has been developing a commercial surveying satellite using technology developed by the U.S. Government for the Strategic Defense Initiative (SDI). The company was established by Ball Corporation [name as published], which has made a good showing in the manufacturing of military reconnaissance satellites and other products. Hitachi purchased a 12.3 percent equity stake in EarthWatch for about 1.2 billion yen.

EarthWatch plans to launch a satellite in 1996 that can distinguish objects on the ground as small as three meters long. In 1997 it will launch an upgraded version that can discern one-meter objects. The advanced version is said to be capable of distinguishing vehicles on the ground.

Hitachi will use video data obtained by the satellites to produce maps instead of aerial photographs. It will also sell data to government and municipal offices for use in studies on preparing for disasters and in environment preservation efforts. The company will also develop systems to add information on roads and geological features to maps based on data obtained by the satellites. The systems will be applicable to car navigation systems and educational software. Hitachi targets annual sales of 45 to 50 billion yen in 2000 from the new business.

Lockheed Corporation will also enter the new business. Mitsubishi Corporation has purchased a stake in SII [Space Imaging Inc.], a joint venture with Lockheed, and acquired the right to sell video data in the Far East. SII plans to launch a satellite in 1997. This allows the Hitachi-EarthWatch group to become a pioneer of the new business. The Hitachi-EarthWatch group's satellite is smaller than that of the Mitsubishi-SII team, and its launching cost is less expensive. With this advantage, the group will cultivate the new market.

Tokyo Urged To Take Lead in Chemical Arms Ban

OW0305140095 Tokyo YOMIURI SHIMBUN in Japanese 30 Apr 95 Morning Edition p 3

[Editorial: "Tokyo Urged To Fulfill Responsibility for Abolishing Chemical Weapons"]

[FBIS Translated Text] The House of Councillors, in its 28 April plenary session, unanimously ratified the Chemical Weapons Ban Treaty. In March, the House of Representatives also unanimously ratified the treaty.

What remains for Japan to do is to notify the ratification. With both houses of the Diet ratifying the treaty, Japan will become a signatory to the treaty, which is expected to go into effect early next year.

The treaty is aimed at abolishing chemical weapons that indiscriminately kill a large number of people. It is a matter of course for Japan to voluntarily become a signatory to the treaty. We hope Japan will have the firm resolve and perception to fulfill its responsibilities as a signatory to the treaty.

As a signatory to the treaty, Japan has a lot of tasks to accomplish. Among other things, Japan has to quickly resolve the sarin nerve gas attacks that occurred on the Matsumoto subway and the Tokyo subway. In the two incidents, sarin, which can be used only as a chemical weapon, had been manufactured in secret and used against subway passengers in our nation.

That fact came as a shock to us. The international community was unquestionably concerned over Japan's inability to prevent the sarin nerve gas attacks.

Japan needs to regain the confidence of the international community by speedily resolving the incident, including confiscating hidden sarin.

In nations that have signed the treaty, enterprises and facilities are obliged to report chemicals they handle and some of them are even obliged to receive international inspections. For this reason, the Japanese chemical industry must shoulder even more burden and Japanese enterprises fear being unable to protect their business secrets.

Nevertheless, we hope that, as a signatory to the treaty, Japan will fulfill its obligations from the stern perception that chemicals can be misused to manufacture dangerous

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chemical weapons. There is a possibility that Japan will come under meticulous checks following the sarin nerve gas attacks, but we hope Japan will realize that the feeling for making a contribution to disarmament and securing the safety of its society entails costs.

The government should fully prepare for international inspections in order to head off any confusion at inspection sites. What is important for that end is that the government must fully consult with the chemical industry and wage a publicity campaign to have the people fully understand the treaty.

The treaty requires all signatories to dispose of chemical weapons that they have abandoned in other nations. As a specific example, Japan has the obligation to dispose of chemical weapons that the former Japanese Army abandoned in China.

China has insisted that former Japanese Army abandoned 2 million rounds of chemical weapons on its soil. In China, toxic materials leaking out of the abandoned chemical weapons have reportedly caused damages. Many fact-finding teams that Japan has dispatched to China have confirmed the existence of poison gas shells of the former Japanese Army in areas of China.

The government needs to grasp the whole picture of the abandoned poison gas shells in China and work out plans to dispose of them while consulting with the Chinese side. The government must anticipate that the cost of disposing of them will be high and their disposal will take many years. As a signatory to the treaty, Japan has the obligation to dispose of them no matter how difficult. Japan should grapple faithfully with the issue.

We believe that all the nations of the world should sign the Chemical Weapons Ban Treaty. Until now, about 160 nations have expressed an intention to sign the treaty, and South Korea is no exception. North Korea has yet to express an intention to sign the treaty, and this concerns us. We hope that North Korea will express its intention to sign the treaty without delay.

Opposition Leader Ozawa Meets Mubarak

OW0405013195 Tokyo KYODO in English 0058 GMT 4 May 95

[FBIS Transcribed Text] Cairo, May 3 KYODO—Japanese opposition magnate Ichiro Ozawa met Egyptian President Husni Mubarak and Foreign Minister Amr Muhammad Musa on Wednesday [3 May] to exchange views on Middle East and international affairs, Japanese officials said.

Ozawa, secretary general of Shinshinto (New Frontier Party), Japan's largest opposition party, told Mubarak that Japan should further promote financial aid to other countries while fostering assistance to and friendship with Egypt, they said.

Musa expressed hope for Japan's roles in Middle East affairs and Ozawa appreciated Egypt's contributions toward Middle East peace, they said.

Ozawa is visiting Egypt at the country's invitation. He left Japan on April 27 for a 12-day tour of Turkey, Saudi Arabia, Egypt and Britain.

Takemura on Sakigake-SDPJ Study Group

OW0405060895 Tokyo KYODO in English 0506 GMT 4 May 95

[FBIS Transcribed Text] Auckland, May 4 KYODO—Japanese Finance Minister Masayoshi Takemura said Thursday [4 May] some members of two of Japan's three ruling parties—his New Party Sakigake [Harbinger] and the Social Democratic Party [of Japan] (SDP) [SDPJ]—will set up a group to study policies and the entity may become a new party in the future.

Takemura made the remark when he met Japanese reporters in Auckland where the 28th Asia Development Bank (ADB) annual meeting is being held.

"If (the group) reaches a certain conclusion, it is all right if a new policy group is made," he said, while denying the planned group aims at forming a new party.

The planned study group will ask individuals, not only from Sakigake and the SDPJ but also from outside the two parties, to participate in discussions, the minister said.

The two parties agreed in January to form joint councils to discuss policies and study what they should do for Japan's future, but the accord was not carried out because of the Jan. 17 great Hanshin earthquake in western Japan.

Sakigake is a small sprinter group of the coalition's main Liberal Democratic Party. The SDPJ is led by Prime Minister Tomiichi Murayama.

SDPJ Members Urge Early Cabinet Reshuffle

OW0305142995 Tokyo YOMIURI SHIMBUN in Japanese 2 May 95 Morning Edition p 2

[FBIS Translated Text] In Hungary, where he is visiting, Foreign Minister Yohei Kono denied the possibility of reshuffling the cabinet before the lower house elections. However, Social Democratic Party of Japan [SDPJ] members are still talking about an early cabinet reshuffle before the elections. Due to their defeat in the unified local elections, the SDPJ members feel a sense of crisis, saying: "We will suffer a setback in the lower house election and the Murayama administration will be forced to resign en masse unless we do something." They aim to strengthen the government's centripetal force by reshuffling the cabinet before the election. Meanwhile, some SDPJ members are talking about the possibility of Murayama resigning. There is a growing view within the prime minister's own territory that "everything is going against the administration" (according to a senior SDPJ official).

Masaki Goto, SDPJ assistant general secretary, and Kozo Watanabe, director of the SDPJ General Affairs

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Bureau, were sitting face to face at the Lower House Dietmen's Hall on 19 April.

Goto said: "The Murayama administration was not much help during the unified local elections. They should resign en masse after the supplementary budget is approved."

Watanabe replied: "How about reshuffling the cabiñet (before the lower house elections)?"

The prime minister's close associates, including Watanabe, were envisaging a strategy in which "we will tide over the post-election political situation by reshuffling the cabinet after the lower house elections." However, they have changed their views because of a series of incidents—including the great Hanshin earthquake, rapid appreciation of the yen, and the sarin attack—and the setback in the unified local elections, saying that "we have to thoroughly consider the possible effects of the lower house elections" (according to a senior SDPJ official).

Moreover, the prime minister held a meeting—attended by Koken Nosaka, construction minister; Kazunari Inoue, SDPJ vice chairman (and chairman of the SDPJ's committee for studying the issue of forming a new party); and Watanabe—on the evening of 11 April at his official residence. It is said that, at the meeting, Inoue and Watanabe advised the prime minister to reshuffle the cabinet early on. The SDPJ plans to launch a new party image by approving the formation of a new party at an extraordinary party convention, slated for 27 May. At the same time, the SDPJ also wants to "renovate both the party and the government and fight the lower house elections" by reshuffling the cabinet prior to the elections.

Liberal Democratic Party [LDP] members are also calling for an early cabinet reshuffle. Kozo Iragashi, chief cabinet secretary; Taku Yamazaki, chairman of the LDP Diet Policy Committee; Mutsiki Kato, chairman of the LDP Policy Research Council; and Junichiro Koizumi, former post and telecommunications minister, held a meeting on the night of 27 April. Yamazaki insisted on the need to reform the cabinet prior to the lower house elections.

However, Construction Minister Nosaka and Koizumi are showing a prudent stance. It is said that they are of the view that they "cannot take advantage of cabinet reform to overcome the political situation after the lower house elections if the cabinet is reformed before the elections."

Meanwhile, Assistant General Secretary Goto's view of having the cabinet resign en masse is aimed at transferring the power to LDP President Kono while maintaining the SDPJ-LDP coalition framework, thereby getting rid of the inferior position for the lower house elections.

"The Murayama administration cannot help but compromise with the LDP regarding policy matters, including Diet resolutions that will be approved by taking advantage of the 50th anniversary of the end of World War II. However, more SDPJ claims will be reflected in government policies if Kono becomes prime minister." Goto reportedly told his view to SDPJ General Secretary Wataru Kubo in mid-April, saying: "You are the only person who can tie a bell around the prime minister's neck." Kubo did not speak frankly.

A growing number of SDPJ members are becoming doubtful about maintaining the LDP-SDPJ coalition. The SDPJ held a central executive committee meeting on 27 April to analyze the causes of the setback at the unified local elections. Among other things, they said: "The decision to form a coalition with the LDP was too sudden. The SDPJ's presence in the government is too weak and it seems that the LDP and bureaucrats are taking the leadership." It can be said that such a mood within the SDPJ is a reflection of their doubts about the SDPJ-LDP coalition.

North Korea

ROK 'Unprecedentedly Intensive Exercise' Viewed

SK0405043295 Pyongyang KCNA in English 0429 GMT 4 May 95

["Unprecedented War Hysterics"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—The South Korean puppet air force staged a large-scale round-the-clock attack exercise in the skies above the central and western sectors of the front from April 28 to May 2, a Seoul-based radio reported.

During the unprecedentedly intensive exercise, all the pivot planes of the puppet air force such as F-16s, F-4s and A-37s were mobilized in a total of 300 extensive bombing raids.

The exercise coincided with operations of the puppet ground force, overtly threatening the North with an all-out war.

Concluding the exercise, the South Korean puppets rashly claimed that they could "scorch" the northern half of Korea and "contain" it in the "initial stage of war" in case of "emergency" on the Korean peninsula.

No one can vouch that the reckless military action of the South Korean bellicose elements would not develop into the outbreak of a new war.

We are fully prepared and are sharply watching their attempt to unleash a new war.

If they unleash a war in disregard of our repeated warnings, we will sternly punish them a thousandfold in retaliation.

Talk: Kim Yong-sam Regime 'Discarded' by ROK

SK0405081695 Pyongyang Korean Central Broadcasting Network in Korean 0650 GMT 3 May 95

[Unattributed talk: "The Kim Yong-sam Ring in Crisis Forsaken by Everybody"]

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[FBIS Translated Text] The Kim Yong-sam ring is in a serious crisis as it is an object of denunciation and condemnation of the people at home and abroad. For quite some time now the South Korean people have spat at and discarded the Kim Yong-sam regime, which is more dependent on outside forces, more antidemocratic, and acts more against reunification than the previous military dictatorial regimes, namely, the traitorous rule of the Yusin dictator traitor Pak Chong-hui and traitors Chon Tu-hwan and No Tae-u.

Even the residents of Pusan, who are said to be the foothold of traitor Kim Yong-sam, go so far as to say that they wish they could cut off the fingers with which they voted for him. This precludes the need for further explanation on the South Korean people's feelings toward the present puppet regime.

Through life experience, the South Korean people learned the serious lesson that they have nothing to hope for or expect from the Kim Yong-sam puppet regime and that the sooner they overthrow this reactionary regime, the better.

Reflecting this public sentiment, there are moves in the South Korean political forces at present to expel the evil Kim Yong-sam ring from power and open a way to transfer power. This is seen from the active moves of the South Korean political forces, including the opposition parties, to form an anti-Democratic Liberal Party alliance with the local autonomy elections approaching and completely destroy the Kim Yong-sam ring's power base with united strength.

The Democratic Party, South Korea's major opposition party, is working hard to expand its party force by such means as mergers with other opposition forces. This is a noteworthy move in the development of the South Korean political situation, and shows that hatred and repugnance of the Kim Yong-sam puppet regime are becoming common feelings of political forces.

There are also signs that South Korean dissident forces and even the South Korean workers' circles will actively advance into the local autonomy elections that are to be held in June. These moves are part of the antigovernment struggle of the South Korean political forces that are disillusioned by the Kim Yong-sam puppet regime.

Present South Korean development is the major object of interest to situational analysts. Some are already predicting the inevitability of the Kim Yong-sam ring's losing the upcoming elections. The moves of the South Korean political forces are imperiling the Kim Yong-sam ring, which is attempting to stabilize its power by winning the local autonomy elections.

The Kim Yong-sam ring, facing the formidable challenge of the South Korean people and opposition forces, without fulfilling the term of office, is in an irreversible serious crisis in its government. The crisis of the Kim Yong-sam puppet regime is attributable to the criminal maneuvers of the civilian ruling bunch itself, which flatters and subjugates itself to foreign forces and commits unpardonable crimes on the nation and history, turning against the country and the nation.

In the initial stage of its coming to power, the Kim Yong-sam ring raved about the so-called civilian government and reform, thus pretending that it would develop some different politics from that of the previous military dictatorial regimes.

However, the Kim Yong-sam ring habitually engaged in treacherous acts against the expectations of the South Korean people. As the entire world knows, the Kim Yong-sam ring babbled about civilian politics. However, they continued to maintain the same fascist system that existed under the military dictatorial regime, and is implementing the most reactionary policy based on it.

As has been exposed, the Kim Yong-sam puppet clique sold out the national dignity and interest following foreign forces. Frenziedly engaging in violent civilian fascist dictatorship and the neopublic security-oriented rule, the Kim Yong-sam ring turned South Korean society into an unprecedented fascist frozen land.

The Kim Yong-sam clique froze all the North-South dialogue, which was carried on even during the military dictatorship, and committed an unpardonable immoral conduct, an act of national treachery, such as committing a provocative act against the fellow countrymen's unfortunate incident, leading North-South relations to a worse phase.

Facts show that the Kim Yong-sam ring has been engaged in acts of frustrating and ruining everything, rather than implementing reform, since it came to power.

Because of the Kim Yong-sam ring's treacherous rule, the South Korean people are now turning into the slaves of an even more thorough colony of foreign forces, and South Korea has turned into a market for foreign forces for their farm surpluses and into their waste dump.

Because of the civilian dictatorship, democratic development of the South Korean society is restrained, the people are suffering from lack of rights and destitution, and the social evils that are exposed one after another are horrifying the people.

A graver obstacle is laid in the way of the country's reunification, the long-cherished desire of the fellow countrymen. It is not surprising that the people's voice of grudges and denunciation should ring out against the Kim Yong-sam ring in the land of the South. It is quite natural that the South Korean people should call for overthrowing the Kim Yong-sam ring and that the opposition political forces should rise in rebellion against the Kim Yong-sam ring.

It will not be long before history hands down stern judgment to the Kim Yong-sam ring, which mocks at the South

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Korean people with the deceptive publicity of the civilian government and commits only vicious acts against the country and the nation. There will only be destruction for the traitors who turned against the people.

Commentary on ROK Defense Minister's 'Outburst'

SK0405085295 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 3 May 95

[Commentary by Yun Pyong-son: "The Outburst by a One-Day-Old Puppy"]

[FBIS Translated Text] According to a report, the so-called puppet defense minister, touring the puppet Army units, raved that the Army should maintain a thoroughly alert posture and strengthen military preparedness. This is a bellicose outburst aimed at inspiring North-South confrontation and war fever in the puppet Army and leading the situation on the Korean peninsula to the aggravation of tension.

As everyone knows, the situation on the Korean peninsula at present is very strained. This is connected importantly with the puppets' vicious war maneuvers seeking North-South confrontation. Since early this year, the Kim Yong-sam ring has continued to inspire North-South confrontation and war fever. In March Kim Yong-sam toured the puppets' military, Naval, and Air Force Academy, making reckless violent outbursts about punishment and warning. In early April, the Kim Yong-sam ring sent an extremely bellicose special directive on complete combat readiness to all the puppet Army units, and frenziedly conducted a large-scale, offensive-oriented joint military exercise for northward invasion mobilizing 80,000-strong troops of the armed forces of the puppets' three armed services and reserve forces.

In the meantime, the puppets continuously committed adventurous provocations, aerial reconnaissance, and espionage with the U.S. imperialist aggression forces near the Military Demarcation Line. This further aggravated North-South relations, and the situation led rapidly to the brink of war.

Nevertheless, the so-called puppet defense minister talked gibberish about finding unusual signs of someone's military activities, and called for strengthening military preparedness. This is a mean tactic aimed at hiding their criminal act of intensifying North-South confrontation and war maneuvers and shifting onto us the blame for the aggravation of tension.

What should not be overlooked even more is the fact that the puppet defense minister's outburst came immediately after the rupture of the working DPRK-U.S. negotiations for the provision of light-water reactors.

To apply the brake to the implementation of the DPRK-U.S. agreed framework, the South Korean puppets broke in between the DPRK and the United States with the issue of the nonexistent ROK-model light-water reactor and persistently maneuvered to frustrate the implementation of the agreement and to lead the situation toward crushing our Republic.

It is no secret that the puppets are more recklessly running wild to realize the plot of applying sanctions against us and crushing us with the help of foreign forces now when the DPRK-U.S. working negotiations are ruptured. Needless to say, it was part of such reckless war maneuvers that the so-called puppet defense minister toured the puppet Army units and inspired North-South confrontation and war fever.

One can well anticipate that the puppets could move toward a new, greater adventure against us. However, the puppets should be clearly aware that this will be a very dangerous path to follow.

Our invariable position and firm will is to counter force with force. If the puppets dare to provoke us and follow the road of provoking war, like a one-day-old puppy challenges the tiger not knowing the latter's formidableness, they should bear in mind that an irrecoverable thunderbolt will fall upon them and that they will die a miserable death.

Pomminnyon Secretariat Head Holds News Conference

SK0405044495 Pyongyang KCNA in English 0439 GMT 4 May 95

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—Yim Min-sik, director of the Secretariat of the overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon), called a press conference here on May 3.

He told the press conference that it was decided at the meeting of the co-chairmen of Pomminnyon, which was held in China on April 9 and 10, to make active efforts to decorate the Grand Festival for National Reunification, which is scheduled to be held in Panmunjom on August 15, 1995, the 50th anniversary of national liberation, as a common festivity of the nation involving political parties and organisations and figures of all walks of life in the North, the South and overseas.

He said every possible effort will be directed to the work to make the forthcoming festival a Grand Reunification Festival common to the nation so that a new turning-point may be made in the efforts to accomplish the cause of national reunification.

The great leader Mr. Kim Chong-il is making tireless efforts true to respected President Kim Il-song's idea of national reunification and his teachings that a reunified country should be handed down to posterity in the 90s, he said, and continued:

"President Kim Il-song was the greatest of great men, who devoted his whole life to the country, the nation and the reunification of the country."

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Pomminnyon is conducting its activities in accordance with the three principles of national reunification, the proposal for reunification by confederacy formula and the 10-Point Programme of the Great Unity of the Whole Nation put forward by the great president, he said.

He said Pomminnyon hopes that the 6th Pan-National Rally, which is to be held this year, will be an occasion to confirm the principles of reunification, reiterate the proposal for reunification by confederacy formula, a way of reunifying the country, and renew the resolution to fight for national reunification within the framework of the Grand Festival for National Reunification which is to be held on the lapse of 50 years since Korea's liberation.

"As long as we have the principles of national reunification, programme and ways of carrying them into reality, solid foundations for their materialisation and the united internal forces of the nation, the nation-wide reunification movement will make great strides forward and the country will be reunified without fail in the 90s, he said.

He answered questions put by reporters.

Meeting Reviews Reunification Festival Work

SK0405042895 Pyongyang KCNA in English 0425 GMT 4 May 95

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—The North side Preparatory Committee for the Grand National Reunification Festival to celebrate the 50th anniversary of the national liberation held its third meeting here on Wednesday [3 May] and intermediately reviewed its first stage work for the festival and discussed the immediate tasks to successfully hold the festival.

The meeting took relevant measures after discussing a series of issues for realising the contact with the Preparatory Committees for the festival organised in South Korea and foreign countries, checking the South Korean authorities' schemes to block the festival and bringing the atmosphere of the festival to a greater upsurge on a nation-wide scale.

The meeting discussed a measure to form a national joint organisation for promoting the festival in the North and the South and abroad in near future.

NDFSK Urges Independent, Democratic Government

SK0405042595 Pyongyang KCNA in English 0423 GMT 4 May 95

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—The Central Committee of the National Democratic Front of South Korea (NDFSK) on April 27 published the immediate fighting calls as regards the coming four major "local elections" in South Korea, according to radio Voice of National Salvation from Seoul.

The calls say the forthcoming "elections" are an acute political confrontation between democracy and fascism.

They call upon the people from all walks of life to turn out in the struggle to make the "local autonomous system" one for democracy both nominally and virtually.

They lay stress on stirring up the fighting fever against Kim Yong-sam and the "Democratic Liberal Party" to shatter the "civilian" dictatorial group's moves to monopolize the "local autonomous system" and overthrow the Kim Yong-sam group.

Noting that a genuine local autonomy should be realized through active participation and struggle, they call for achieving a single candidate of the national democratic forces and training a true democratic politician.

The calls stress the need to frustrate the underhand policy of "Chongwadae" [presidential offices] with unity, form a joint front of all parties, all groupings and people from all walks of life against the "Democratic Liberal Party" and topple the subject "civilian" dictatorship and establish an independent and democratic government with the unity of all people.

Joint Statement of North, South Student Groups

SK0405050695 Pyongyang KCNA in English 0501 GMT 4 May 95

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—A joint statement of the North Phyongan Provincial Student Committee and the Kwangju-South Cholla Provincial Federation of General Student Councils of South Korea was published in Sinuiju and Kwangju at the same time on April 29 to achieve the independent and peaceful reunification of the country.

The student organisations in the joint statement said that the youth and students in the North and the South are determined to wage an active struggle to negate the divided country and achieve the independent and peaceful reunification of the country by greeting a decisive phase of national reunification because they cannot live any longer, recognizing the divided country.

Declaring "Let us abolish the 'National Security Law' [NSL], an institutional barrier of the division of the country!" the statement said that the youth and students in the North and the South cannot recognize the "National Security Law" which gives no help to the reunification of the country and will devote all their efforts to the struggle to scrap the "NSL".

Declaring "Let us repeal the Armistice Agreement between the DPRK and the United States and conclude a peace agreement to remove the military tension from the Korean peninsula!" the statement noted that the United States should conclude a peace agreement immediately for peace on the Korean peninsula and contribute to peace in Northeast Asia and the reunification of the Korean peninsula.

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Saying "Let the 70 million reunification forces in the North, the South and overseas join hands to achieve great national unity!" the statement stressed:

The 70 million nation in the North and the South should solidarize and unite with each other, transcending the difference of regions, ideas, political views, classes and strata and turn out as one to build a reunified country, a common task of the nation.

We the youth and students in the North and the South vow to vigorously struggle as the vanguards of national reunification by strengthening the National Alliance of the youth and students for the country's reunification.

Declaring "Let us reunify the country in the form of recognizing mutual difference, neither by 'prevailing over communism' nor by 'communizing'!" the statement stressed that they would continue the struggle to support the proposal for reunification in the form of one nation, one state, two systems and two governments and reach a nationwide agreement on the proposal for reunification in the form of confederacy.

"We oppose the confrontation policy of the Kim Yong-sam 'regime' which fosters political confrontation between the South and the North with 'nuclear issue'!" The statement said, and pointed out: The youth and students in the North and South will take the lead in the struggle to shatter the Kim Yong-sam "regime's" confrontation policy against reunification and the North.

ROK Student Council Group Marks Anniversary

SK0205152195 Pyongyang KCNA in English 1503 GMT 2 May 95

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA)—The Pusan and South Kyongsang Provincial Federation of General Student Councils of South Korea (Pukyongchongnyon) held its fourth-term inaugural ceremony, according to a report.

Present at the ceremony were more than 2,500 students of general student councils of 37 universities under the Pukyongchongnyon".

The "Pukyongchongnyon" in a declaration proclaimed this year as the year when the country will be reunified and vowed to conduct activities for reunification.

After the ceremony, the organisation held a meeting of citizens and students in the plaza of Pusan railway station demanding the repeal of the "National Security Law" and the abolition of the U.S. military bases in South Korea and staged a street demonstration.

Nonaligned Countries Support Korean Reunification

SK3004082495 Pyongyang KCNA in English 0818 GMT 30 Apr 95

[FBIS Transcribed Text] Pyongyang, April 30 (KCNA)—A communique of the foreign ministers' meeting of the Coordinating Bureau of the non-aligned countries, which was held in Bandung, Indonesia, voiced support for the Korean people's struggle for the reunification of the country.

The communique said the ministers, in respect of the Korean problem, expressed concern over the fact that the Korean peninsula remains divided in spite of the desire and aspiration of the Korean people, and reaffirmed support for the efforts of the Korean people to reunify the country on the basis of the principles clarified in the North-South Joint Statement of July 4, 1972.

They said that to ensure peace and security on the Korean peninsula is an important issue for the common prosperity of the Korean people and for peace and security in Northeast Asia and the world, it added.

They expressed the hope that the nuclear issue of the Korean peninsula which assumes political and military characters should be solved through the implementation of the DPRK-U.S. agreed framework, it stressed.

Foreign Parties Voice Support for 'Just Cause'

SK0305125395 Pyongyang KCNA in English 1025 GMT 3 May 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, May 3 (KCNA)—Foreign party leaders voiced support for the just cause of the Korean people when they met Korean ambassadors recently.

The general secretary of the Democratic People's Party of Lebanon warmly congratulated Korea on the great victory it has won under the wise guidance of the great leader Comrade Kim Chong-il, in face of the U.S. imperialists' pressure and challenge. He said it is a common victory of all the oppressed people and fighters of the world.

He expressed the belief that the Korean people will surely reunify the country by their efforts.

Leon Nzokene, general secretary of the Congolese Socialist Party, said his party deeply reveres the great leader Comrade Kim Chong-il as the lodestar and regards Korea as the beacon of hope.

He declared that his party will as ever actively support all the policies of the Workers' Party of Korea [WPK] including the proposal for the establishment of a new peace mechanism in the Korean peninsula and the proposal for reunifying Korea through confederacy.

Huudu Yahaya, general secretary of the National Democratic Congress of Ghana, expressed the belief that the Korean people will unite closely around the WPK under the outstanding leadership of Comrade Kim Chong-il and make greater achievements in the struggle for strengthening and developing their system, achieving greater prosperity and defending their sovereignty.

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S.R. Bommai, president of the People's Party of India, voiced unquestioned support for the efforts of the Workers' Party, government and people of Korea for the peaceful reunification of the country and for the DPRK's position for a solution to the nuclear issue in the Korean peninsula.

Russians on Japanese Korean Repatriation Plan

SK0205134395 Pyongyang KCNA in English 1056 GMT 2 May 95

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA)—The Russian paper SOVETSKII SAKHALIN in an article entitled "Our Old Persons Cannot Be Repatriated" recently denounced the Japanese authorities for having planned to send Sakhalin-resident Koreans back to South Korea by force.

The paper quoted Kim Chong-hui, an expert in charge of the ethnic Koreans of the Sakhalin regional administration, as criticising the "pilot" programme, and charging that Japanese authorities' attempt to send Sakhalin-resident Koreans back to South Korea without prior agreement with them was an interference in the internal affairs of other country.

The "pilot" programme of the Japanese authorities is to separate the old, who will be sent back to South Korea, from their families and relatives by force, the paper said, adding that the Koreans in Sakhalin are opposed to the programme.

Hwang Chang-yop Meets PRC Friendship Delegates

SK0205134795 Pyongyang KCNA in English 1058 GMT 2 May 95

[All Chinese names as received]

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly talk with the visiting Jilin city friendship delegation of China led by Chai Giyong, deputy director of the foreign affairs office of the city people's government.

Present on the occasion were Vice-chairperson of the Committee for Cultural Relations With Foreign Countries Chon Yon-ok and a councillor of the Chinese Embassy here.

Today, a friendship gathering with the delegation was held at the Changdok School in Mangyongdae District at which the great leader President Kim Il-song studied in his childhood (during the period from 1923 to 1925).

Foreign Minister Meets Ghana, Portugal Envoys

SK0305213595 Pyongyang KCNA in English 1512 GMT 3 May 95

[FBIS Transcribed Text] Pyongyang, May 3 (KCNA)—Vice-premier and Foreign Minister Kim Yong-nam today separately met and conversed with newly-appointed Ambassador E. P. [extraordinary and plenipotentiary] of Ghana to the DPRK Kojo Amoo-Gottfreid and newly-appointed ambassador E.P. of Portugal to the DPRK Jose Manuel Duarte de Jesus, who paid courtesy call on him.

Books Given to Ghana National Democratic Congress

SK0205152095 Pyongyang KCNA in English 1501 GMT 2 May 95

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] presented books to the National Democratic Congress of Ghana.

The books were handed to the general secretary of the National Democratic Congress of Ghana by the Korean ambassador to Ghana on April 25.

Expressing deep thanks to the WPK Central Committee for presenting the valuable books, the general secretary said: The great leader Comrade Kim Il-song's reminiscences "With the Century" and famous works of the dear leader Comrade Kim Chong-il will be greatly helpful to us in having the knowledge of the idea, history of the struggle, achievements and experiences of the Workers' Party of Korea.

Cameroonian Delegates Talk With Yang Hyong-sop

SK0305135795 Pyongyang KCNA in English 1051 GMT 3 May 95

[FBIS Transcribed Text] Pyongyang, May 3 (KCNA)—A delegation of the Supreme People's Assembly of the Democratic People's Republic of Korea had talks with the visiting delegation of the National Assembly of Cameroon on Wednesday at the Mansudae Assembly Hall.

Present there on the DPRK side were Chairman Yang Hyong-sop of the Supreme People's Assembly and other officials concerned and on the opposite side were the members of the delegation headed by Cavaye Yeguie Djibril [name as received], president of the National Assembly of Cameroon, and Etian Elain-Elle, Cameroonian ambassador to the DPRK.

At the talks the sides exchanged opinions on developing friendly and cooperative relations between the two countries, peoples and assemblies, and on some international issues of mutual concern.

Nepalese Delegation Leaves Pyongyang 20 Apr

SK0205213395 Pyongyang KCNA in English 1511 GMT 2 May 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA)—Delegation of parliament of Nepal led by Dilip Kumar

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Shahi, vice-chairman of the National Council, went back home on April 20 after visiting Korea and had a press interview.

The vice-chairman said he was suprised to see that Korea is a very developed country beyond his imagination, and Pyongyang is a beautiful and clean city in good order.

Saying that the Korean people live a happy life without any worries, he noted that everything is a result of the wise guidance of His Excellency President Kim Il-song and the great leader his Excellency Kim Chong-il.

MP Hem Bahadur Karki, who was a member of the delegation, said: In giving one's impressions of Korea, one should tell, first of all, about the outstanding leadership of His Excellency Kim Chong-il. His Excellency Kim Chong-il is a genius of leadership.

He noted that Korea is an excellent country and he will never forget the impressions he got during his Korean visit.

Another member of the delegation, MP Rajib Parajuli, said he came to know that the Korean people have made their country more powerful and happier under the wise leadership of the great Comrade Kim Chong-il.

Saying that Korea is a country where the leader and the people are united, a powerful country in good order, he noted he had never known that there was such a happy country in the world.

Visitors' Impressions of Nation Cited

SK0405102895 Pyongyang KCNA in English 1012 GMT 4 May 95

["Everything in Korea Beyond All Imagination"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—Foreigners and overseas compatriots staying in Korea visited the international friendship exhibition and expressed their feelings about it.

Displayed at the exhibition in Mt. Myohyang, a famous mountain of Korea, are more than 75,000 pieces of gifts sent to the great leader President Kim Il-song by foreign party and state leaders and prominent figures.

Kirk-Bride Tomas, member of the Orbit tourist group of the United States, said the exhibition is so an excellent one that not only the U.S. people but also the world people must come and see.

Through the visit to it, I realized well that President Kim Il- song has enjoyed the esteem of the world people as the leader recognised by the world, he said.

David Burgess, member of the group, said:

The exhibition is quite different from what I was told and everything in Korea is beyond all my imagination.

While going round the exhibition, I easily understood how high the prestige of President Kim Il-song is and why the Korean people sincerely follow him.

Yun Chang-ho, member of the Hana tourist group of the United States, said that there are world-famous museums in many countries but they can not stand comparison with the international friendship exhibition.

It is unprecedented in the world that the head of state of a country put on display the gifts he received as a national treasure, he noted.

Ho Chang-pok, a Korean resident in China, said that the great exploits performed by President Kim Il-song in uniting not only the Korean people but also the world people under the banner of the chuche idea will be always cherished in the heart of humankind along with history and the socialist flag of chuche will flutter more powerfully all over the world.

Paris Meeting Participants Send Letter to Kim

SK0105123995 Pyongyang KCNA in English 0914 GMT 1 May 95

[FBIS Transcribed Text] Pyongyang, May 1 (KCNA)—The great leader Comrade Kim Chong-il received a letter from the participants in the Paris International Meeting for Repatriation of the Unconverted Long-term Prisoners in South Korea.

Lawyers and representatives of human right organisations in the West Europe and France and representatives of international and non-governmental organisations who participated in the meeting bitterly denounced the South Korean authorities for refusing to send back the unconverted long-term prisoners in South Korea who earnestly desire to come back to the Democratic People's Republic of Korea where there are their families and relatives, for over 40 years since the Korean Armistice Agreement was concluded, the letter says, and goes on:

It is urgent to send back old Kim In-so, Ham Se-hwan and Kim Yong-tae, the long-term prisoners who live difficult life in South Korea, to their nome villages at an early date. The International Committee for Release and Repatriation of the Unconverted Long-term Prisoners in South Korea will do all it can to discharge its mission.

The letter stresses that the lawyers who participated in the meeting will arouse the broad international public opinion to have them repatriated as desired by them at an early date and energetically conduct activities in hand with the relevant international organisations.

Various Works of Kim Chong-il Studied Overseas

SK0405042395 Pyongyang KCNA in English 0419 GMT 4 May 95

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—Famous works of the great leader Comrade Kim Chong-il have been studied and disseminated in different countries.

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A seminar on the work "Socialism Is a Science" was held by the Malian First Group for the Study of Kimilsongism.

N. Coulibaly [spelling of name as received], chief of the group, said in his report that Comrade Kim Chong-il, the great leader of the Korean people, scientifically explained the essence of the popular masses by clarifying that the masses of the people means a social community, united centering on working people, due to their common demand for independence and creative activity.

With the essence of the masses of the people explained in a scientific way by Comrade Kim Chong-il, a guarantee for developing socialism to be invincible one with broad and solid political foundations has been provided, he noted.

A seminar on this work was held also by the Jordanian Centre for the Study of Independence.

The Dar-es-Salaam, Tanzania, Group for the Study of Kimilsongism held a seminar on the work "On the Chuche Idea".

Speakers said it is the greatest exploit of his excellency Kim Chong-il that he consummated and systematized the chuche idea founded by his excellency the great leader President Kim Il-song, and stressed the need to make a deeper study of the chuche idea.

A seminar on the same work took place in the private Institute of History of Oriental Philosophy of Mongolia. A seminar on the work "Our Socialism Centred on the Masses Shall Not Perish" was held in the Secretariat of State of the Agricultural Hydraulics of the Frelimo Party and a seminar on the work "Abuses of Socialism Are Intolerable" in the cultural centre in Egypt.

Foreign Media Commemorate Kim Il-song Birthday

SK0405102795 Pyongyang KCNA in English 1007 GMT 4 May 95

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—Foreign mass media carried articles on the occasion of the birth anniversary (April 15) of the great leader President Kim Il-song.

The Nigerian paper THIS DAY in an article titled "Praise for President Kim Il-song" said:

Respected President Kim Il-song was the founder of the Democratic People's Republic of Korea, the father of the nation, a legendary hero, the most experienced leader and elder statesman in the world, the great anti-colonialist fighter and an outstanding activist of the international communist movement and labour movement.

There is no such great man of the century in the world as the president who took the helm of the revolution from the 1920s and made brilliant exploits while leading the Korean revolution and the world revolution without the slightest deviation for a long time.

The Indian journal RASHTRIA VISHAS carried an article titled "We Will Remember" saying that the progressive people of the world will always look back on the brilliant life of the great revolutionary Comrade Kim Il-song, commemorating his birthday as an annual international holiday for peace, friendship and unity.

Articles commemorating his birthday were also carried by the Cambodian paper CAMBODIA, the Malian paper OBSERVATEUR, the Nigerian paper INDEPENDENT, the Mongolian paper ULAN BATAR, the Pakistani paper RAWALPINDI VIEW, the Mexican papers LA AFICION and COMBATIENTE, the Zambian paper ZAMBIA DAILY MAIL, the Zairean paper DEMAIN LE CONGO, the Nepalese paper SROMIC, the Ethiopian paper THE MONITOR and the Romanian papers CURIERUL NATIONAL and ROMANIA LIBERA.

News agencies and radios of different countries such as the NTV station of Germany, the TV station of Madagascar, the Zanzibar TV station of Tanzania, the Guyanese national TV station, the Burkinese TV station, the news agency of Guinea, the Romanian News Agency ROMPRES and the Radio Santa Rosa of Peru broadcast special articles and programs in commemoration of the birthday of the great leader President Kim Il-song.

Kim Il-song Called Peerless

SK0305110995 Pyongyang KCNA in English 1005 GMT 3 May 95

[All newspaper names as received]

[FBIS Transcribed Text] Pyongyang, May 3 (KCNA)—Foreign media dedicated articles to the birth anniversary of the great leader President Kim Il-song.

The Indian paper INDIAN TIMES carried an article titled "Slogan Reflecting the Korean People's Aspiration and Will" with a portrait of President Kim Il-song.

Noting that one could see the slogan "The Great Leader Comrade Kim Il-song Will Always Be With Us" everywhere in Korea, the paper said that the slogan reflected the iron will of the people who have keenly felt the greatness of the president peerless in the history of several thousand years.

His Excellency Kim Il-song is a peerless great man deeply revered by the Korean people and the revolutionary people of the world, the paper said, and went on:

He performed exploits which will shine long in history, with natural gifts such as extraordinary ideological and theoretical intelligence, outstanding leadership and noble virtues which the leader of the working class should have.

As his idea and exploits are great, the people are renewing their faith and will to glorify them for all ages.

April 15 was observed also by the Russian papers MOLNIYA, VLADIVOSTOK and URIDICHESKAYA

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GAZETA, the Indonesian paper INDONESIAN OBSERVER, the Yemeni paper AL JAMAHIRU, the Indian paper SEBERA, the Jordanian paper AL DUSTOUR, the Norwegian paper VERDENSGANG, the Guyanese paper KAIETEUR WORLD, the Pakistani TV and the People's TV and National Radio of Angola.

More Foreign Tourists Visit Kim Il-song Statue

SK0105140395 Pyongyang KCNA in English 0910 GMT 1 May 95

[FBIS Transcribed Text] Pyongyang, May 1 (KCNA)—The 1st and 2nd Dalian tourist groups, the tourist group of the Chinese International Travel Corporation, the tourist group of the General Overseas Travel Company in Dandong from China, the 5th, 6th, 9th, 10th, 14th, 18th, 19th and 22nd tourist groups from Japan and Koreans overseas called at the statue of the great leader President Kim Il-song standing on Mansu Hill in Pyongyang to pay homage to him.

They laid floral baskets and bouquets before the statue and made a bow with deep reverence for the respected leader who devoted his whole life only to the prosperity and development of the country and the happiness of the people, and to the cause of global independence.

Japanese Praises Kim Il-song as 'Great Man'

SK0205052895 Pyongyang KCNA in English 0523 GMT 2 May 95

[FBIS Transcribed Text] Pyongyang, May 2 (KCNA)—President Kim Il-song was a great man produced by the Korean people.

Chairman of Taiki Trading Co. of Japan Takehisa Miyamoto said this in a press interview held here on April 27.

The great leader President Kim Il-song embarked on the road of revolution in his early years and went through a rigorous path to realize the desire of the people, he said, and went on:

"I was deeply moved while seeing the excellent country, model of the world. The magnificent appearance of Pyongyang strikes me with admiration. All this could be achieved only under the leadership of President Kim Il-song who conducted energetic activities for the people to the last moment of his life, with "believing in the people as in heaven" as his maxim. [quotations as received]

"President Kim Il-song was the leader of a country as well as father of the people. He, who loved the nation and made indefatigable efforts for the people, did his best to present a reunified country to the people."

He expressed his firm conviction that the Korean people will achieve the country's reunification without fail, true to the behests of the great leader President Kim Il-song.

Officials, Workers Visit Kim Il-song Statues

SK0405110095 Pyongyang KCNA in English 1032 GMT 4 May 95

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—Officials of the central and local party, power bodies, administrative and economic bodies, anti-Japanese revolutionary fighters, working people, People's Army soldiers and youth and students across the country called at the statues of the great leader President Kim Il- song, expressed reverence for him and made allegiance of loyalty today, three hundred days since he passed away.

Calling at the statue of President Kim Il-song on Mansu Hill in Pyongyang, many officials, anti-Japanese revolutionary fighters, people from all walks of life, People's Army soldiers, youth and students laid floral baskets and bouquets before the statue of him who conducted energetic activities for the prosperity and development of the country, the happiness of the people, the reunification of the country and global independence till the last moment of his life.

Written on the ribbons hanging from the floral baskets were the letters reading "The great leader Comrade Kim Il-song is immortal", "The revolutionary feats of the respected leader Generalissimo Kim Il-song will be everlasting!" etc.

Recalling the glorious and brilliant revolutionary history and immortal feats of President Kim Il-song, the participants expressed deep reverence and longing for him.

Floral baskets and bouquets were also laid before his statues standing at Kim Il-song University, Kim Il-song Military University, Mangyongdae Revolutionary School and in all parts of the country.

The people from all walks of life and soldiers visited the statues of President Kim Il-song with new resolution and will to carry out the calls of the Central Committee of the Workers' Party of Korea which were published on its 50th foundation anniversary and hardened their determination to remain loyal to the great leader Comrade Kim Chong-il and make their country, their motherland more prosperous, upholding President Kim Il-song forever.

Kang Song-san, Others Mark May Day With Youth

SK0105124395 Pyongyang KCNA in English 0923 GMT 1 May 95

[FBIS Transcribed Text] Pyongyang, May 1 (KCNA)—An evening of working youth in Pyongyang was held at the Kim Il-song Square on April 30 to celebrate May Day.

Present there were Premier Kang Song-san, Vice-president Yi Chong-ok and other party and government cadres and people from all walks of life.

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Invited there were Kanji Inoki, leader of the Sports Peace Party of Japan, member of the House of Councillors and president of the New Japan Professional Wrestling Co., guests of honor, wrestlers and suite members, foreign artistes and tourists and overseas Koreans who had participated in the Pyongyang International Sports and Cultural Festival for Peace, and foreign diplomatic envoys here and their embassy officials.

The participants in the evening showed well the happy life of the Korean people and their will to devote their all to the struggle for the prosperity and development of their country, their motherland and the accomplishment of the cause of chuche under the leadership of respected General Kim Chong-il, dancing to the tune of songs such as "Long Live Generalissimo Kim Il-song", "Thunder of Chong-il Peak", "Our General Is Best", "One Large Family", "Song of Three Prides" and "We Take a Pledge".

Foreigners and overseas Koreans were seen among the Korean working youth who danced joyfully.

People on WPK's Call To Celebrate Anniversary

SK0305152295 Pyongyang KCNA in English 1510 GMT 3 May 95

[FBIS Transcribed Text] Pyongyang, May 3 (KCNA)—Working People of Korea are greatly excited after the calls of the Central Committee of the Workers' Party of Korea [WPK] to celebrate its 50th foundation anniversary were published.

They are resolved to carry through the calls of the party Central Committee with redoubled courage and in high spirits with a view to making the year greeting the 50th anniversaries of the party foundation and of national liberation a year of hope and of good luck.

Hwang Sun-hui, an anti-Japanese revolutionary fighter, said:

"We will glorify the honor of being a revolutionary soldier to the last moments of our lives, holding in high esteem respected General Kim Chong-il in the same fighting spirit as was displayed in defending the great leader Comrade Kim Il-song with our lives during the hard-fought anti-Japanese war."

Pak Cho-yong, secretary of the Chagang Provincial Committee of the WPK, had this to say:

"It is an iron will of the great leader Comrade Kim Chong-il and a unanimous desire and determination of our party members and people to carry to completion the revolutionary cause of chuche started by Comrade Kim Il-song, by strengthening and developing our party into a revolutionary party of chuche forever and enhancing its leadership role."

Kim Tong-myong, vice-chairman of the South Pyongan Provincial Administrative and Economic Committee, said:

"I will do more things to defend and add lustre to the anthropocentric socialism, our socialism won at the cost of blood and built by our creative labor."

Yi Tae-il, vice-chairman of the State Planning Commission, noted:

"I will map out economic operations well and conduct economic organisation and guidance of production in a responsible manner on the principle of subordinating everything to implementing the party's revolutionary economic strategy as demanded by the calls of the party Central Committee."

Colonel general of the Korean People's Army Pak Chae-kyong said:

"I will make efforts to firmly guarantee revolutionary unity, ideological unity based on the loyalty to respected Supreme Commander General Kim Chong-il in the People's Army, further increase its politico-military might and firmly defend our territory, sky and seas."

Pak Che-hae, vice-director of the secretariat of the Committee for the Peaceful Reunification of the Fatherland, said:

"Efforts will be made to make this year a year when the wall of division will be pulled down and a breakthrough is made for reunification in the 90s, so that the cause of national reunification will be accomplished without fail under the guidance of the great leader Comrade Kim Chong-il, a cause into which the great leader Comrade Kim Il-song, the sun and father of the nation, put his heart and soul in his lifetime."

Kim Chang-kyu, vice-minister of foreign affairs, said:

"We officials of foreign affairs will successfully implement the external policy of our party and the government of the DPRK to meet the demand of the ever-changing situation under the uplifted banner of independence, peace and friendship and thus make an active contribution to global independence."

WPK Encourages Glorifying Kim Il-song's Feats

SK0105094895 Pyongyang KCNA in English 0803 GMT 1 May 95

[FBIS Transcribed Text] Pyongyang, May 1 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] in the calls published on April 30 on the occasion of the 50th anniversary of its foundation (October 10, 1945) appeals to the entire party members and other working people to glorify the immortal revolutionary feats performed by the great leader President Kim Il-song for all ages.

The calls say the great Comrade Kim Il-song is the founder and builder of our party, state and Army, the father of the nation and the father of socialist Korea, adding:

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Let us uphold the great Comrade Kim Il-song as the eternal leader of our party and people and the sun of chuche for all ages!

Let us firmly defend and glorify for all ages the immortal revolutionary feats performed by the great leader for the country and the people, the era and the revolution!

Let us carry the revolutionary cause of chuche to completion, true to the behests of the great leader Comrade Kim Il-song!

Let us actively follow the noble communist virtues of Comrade Kim Il-song, a great leader, a great revolutionary and a great man!

Let us convey long the pride and honor of having upheld the great Comrade Kim Il-song as the leader and bring up our children to be his true sons and daughters generation after generation!

Let us discharge our duty as loyal subjects and filial sons and daughters in defending the idea and cause of the great leader with deeper consciousness and obligation than when he was alive!

Special Bulletin Published on KPA Anniversary

SK0305123395 Pyongyang KCNA in English 1020 GMT 3 May 95

[FBIS Transcribed Text] Pyongyang, May 3 (KCNA)—The Peru-Korea Institute of Culture and Friendship published a special issue of bulletin on the occasion of the 63rd anniversary of the foundation of the heroic Korean People's Army (KPA).

It carried the work of the great leader Comrade Kim Chong-il "Socialism Is a Science."

In an article titled "Kim Chong-il Is Supreme Commander of the Korean Armed Forces" the bulletin introduced the outstanding military idea, theorics, distinguished military intelligence and strategy, matchless grit and indomitable will of the great leader Comrade Kim Chong-il. It said he has wisely guided the efforts for fully preparing the KPA politically and ideologically and in military technique.

The bulletin also carried an article headlined "The KPA Is the Defender of the Country, Maker of Happiness," a joint statement issued by political parties of Peru on the third anniversary of the publication of the Pyongyang Declaration "Let Us Defend and Advance the Cause of Socialism," the agreement for the resumption of DPRK-Japan talks and a joint statement released by political parties and organizations of Peru supporting it.

Light Industry Production Reportedly Increases

SK0305151395 Pyongyang KCNA in English 1501 GMT 3 May 95

[FBIS Transcribed Text] Pyongyang, May 3 (KCNA)—The light industry factories and enterprises of Korea are increasing production.

According to data available at the state light industry commission, as of April 30 the industrial output value was raised 5 percent above the comparable period of the previous month.

Factories and enterprises under the Korean silk group increased the industrial output valuent 10 percent and textile output by 25 percent.

Silk thread output jumped 30 percent at the Pyongyang silk mill.

The Pyongyang textile combine, the Pyongyang shoe-making factory and the Hyesan shoe-making factory are fulfilling their daily assignments at 110 percent by giving priority to supply of materials and improving organization of labour.

Chagang Province Power Plants Increase Production

SK0105132995 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 29 Apr 95

[FBIS Translated Text] Party members and the working class of the operational station of the Chagang Provincial small- and medium-sized power plant continue to vigorously embark upon the single road of innovation, cherishing a burning desire to greet the 50th anniversary of the founding of the party with a high achievement of power production.

By giving priority to the operation of all facilities at full capacity and by concentrating efforts on managing facility and water, power workers at the small- and medium-sized power plants in the Songgan District overfulfill the daily target of power production by over 110 percent, thus effecting an innovation.

With a revolutionary spirit of self-reliance and fortitude, power workers at the small- and medium-sized power plants in the Tongsin District are concentrating efforts on managing water by perfectly carrying out the work to repair dams and waterways. They are also operating the facilities of power station scientifically and technologically. By so doing, they are stabilizing the power production at a higher level.

The small- and medium-sized power plants at the Hwapyong and Chasong Districts are also steadily increasing power production by fully searching and mobilizing internal reserves, while actively carrying out the movement for a technological innovation with their wisdom and might.

Hochongang Power Plant Reports Production Gains

SK0105064495 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 28 Apr 95

[FBIS Translated Text] The electricity generating workers of the Hochongang power plant are achieving greater success in generating electricity.

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Well aware that electricity advances production and that the achievement of upsurges in production depends upon increased generation of electricity, the electricity generating workers there are overfulfilling daily plans by more than 103 to 105 percent by operating each unit of the power generating equipment at full capacity.

In particular, the fighters at the No. 4 generating workshop are generating much more electricity than daily plans, while checking and repairing the facilities in a meticulous way and while following the rational method of working.

The fighters at the Nos. 2 and 3 generating workshops, too, are generating more electricity even with the same amount of water, while making effective use of existing water to the maximum extent.

Academy Adopts Resolution To Develop Science

SK0405050995 Pyongyang KCNA in English 0507 GMT 4 May 95

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—Scientists of the State Academy of Sciences held a meeting on May 3 to renew their resolution to turn out in the sacred work to accelerate chuche-orientation, modernization and scientification of the national economy and make their country and their motherland more prosperous by bringing about a new turn in the scientific research work to fulfil the tasks advanced by the great leader Comrade Kim Chong-il during his on-the-spot guidance on April 28.

Going round several units of the academy, Comrade Kim Chong-il acquainted himself with the achievements made in scientific researches in various domains of the national economy, and expressed great satisfaction with them and put forward important tasks for more rapid development of the nation's science.

At the meeting, scientists vowed to rapidly develop advanced science and technology such as electronics and heat engineering and powerfully wage scientific research work based on rich raw material and fuel of the country from the firm stand of chuche.

The meeting laid stress on the work to actively solve the scientific and technical problems arising in the development of biological engineering, agricultural science and mining, power and metal industries to thoroughly carry out the revolutionary economic strategy of the Workers' Party of Korea.

The participants in the meeting expressed their resolution to energetically conduct scientific research work upholding the calls of the Central Committee of the Workers' Party of Korea published to mark its 50th founding anniversary.

It was the desire of the participants in the meeting to faithfully uphold Comrade Kim Chong-il with great scientific achievements and actively contribute to making the socialist fatherland rich and strong by promoting the nation's science and technology to the world level.

A letter of pledge to Comrade Kim Chong-il was adopted at the meeting.

Paper Stresses Importance of Global Independence

SK0405102995 Pyongyang KCNA in English 1019 GMT 4 May 95

["Promotion of Global Independence Urged"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 4 (KCNA)—It is the matured demand of the era of independence and a historical task common to humankind to make the whole world independent, stresses NODONG SINMUN in a signed article today.

When global independence is realized, all the countries and nations can live in a free and peaceful world, achieving the independent development and the common prosperity of humankind, the paper notes, and goes on:

If such a world is to be built, all the peoples advocating independence should struggle in unity.

What is important in strengthening solidarity among the world's progressive people is that all the anti-imperialist independent forces should unite as one under the internationalist slogan "Let the world's people advocating independence unite!" advanced by the great leader Comrade Kim Il-song, transcending the differences in social system, political view, ideology, religious belief, nationality and race.

It is quite possible for all the countries and nations to unite under the banner of independence because they are all advocating independence.

Unity and solidarity among the revolutionary parties regarding socialism as their idea is important above anything else in strengthening the might of the anti-imperialist independent forces of the world.

To expand and develop the non-aligned movement is an important problem for strengthening the might of the anti- imperialist independent forces and accelerating global independence at present.

For the realization of global independence, positive efforts should be made to break the old international political and economic orders of domination, subjugation, exploitation and plunder and establish a new, fair international order based on equality and independence.

Only when the old international order is destroyed and a new, fair international one established, is it possible to create a favourable international atmosphere for meeting the natural demand of the popular masses and accomplishing the cause of global independence.

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Above anything else, equality and independence of all the countries and nations should be ensured in the United Nations and other international arena.

Global independence is impossible without the struggle against aggression and war and for peace. The independent world means a peaceful world.

The world's peaceloving people must wage a vigorous struggle to get the nuclear arms dismantled totally, oppose aggression and war and ensure a lasting peace and security in Asia and the rest of the world.

South Korea

NNSC Delegates Agree To Continue Activities

SK0405072995 Seoul KBS-1 Radio Network in Korean 0700 GMT 4 May 95

[FBIS Translated Text] The Polish, Swiss, and Swedish delegations to the Neutral Nations Supervisory Commission [NNSC] held a meeting in the U.S. Army area today and discussed various measures to maintain the Armistice Agreement mechanism. Delegates of the three countries reportedly agreed that the current armistice mechanism should be maintained until it is replaced with a new mechanism and decided to continue their mission.

They termed North Korea's closing the NNSC offices and banning visits to the North side of the Joint Security Area as a grave violation of the Armistice Agreement and plan to request that North Korea withdraw the decision.

Military Armistice Commission Meeting Called

SK0405064295 Seoul TONG-A ILBO in Korean 4 May 95 p 1

[FBIS Translated Text] Following North Korea's decision to close down the North portion of the Joint Security Zone, the ROK Government called an immediate Military Armistice Commission meeting, objected that the closure is an express violation of the Armistice Agreement, and announced plans to urge North Korea to immediately withdraw the decision.

Within the text of North Korea's 3 May statement, the ROK Government paid particular attention to the clause "we will take steps concerning positions in the DMZ," closely watching to see if North Korea will make military moves in the DMZ.

On 4 May, the ROK Government will officially raise this issue in the meeting of the Neutral Nations Supervisory Commission [NNSC] to be attended by the Swiss, Swedish, and Polish delegates.

In order to strengthen NNSC activities, the ROK Government has decided to support the Polish delegation, which was expelled by North Korea in February, to ensure its NNSC activities are carried out without fail.

A high-ranking ROK Government official stated on 3 May: "North Korea's decision to close down the Joint Security Zone stems from its intention to disregard the Armistice Agreement and conclude a peace agreement. The ROK Government will resolutely deal with this."

The official added: "As stipulated in the basic agreement between the North and South, replacing the armistice regime with a peace regime should be resolved by dialogue between the parties directly concerned in North and South Korea. Until then, it is the government's consistent position that the Armistice Agreement should be observed."

Action Against DPRK Truce Violations Planned

SK0405060595 Seoul YONHAP in English 0555 GMT 4 May 95

[FBIS Transcribed Text] Seoul, May 4 (YONHAP)—South Korea will seek, in cooperation with the United States and other related nations, diplomatic action against North Korea by way of the United Nations for its alleged violations of the Korean War Armistice Agreement when it rejected the duties and rights of the Neutral Nations Supervisory Commission (NNSC).

A ranking government official said Thursday that the government would lodge via the United Nations "a strong protest" against the North for its truce pact violations in consultation with the United States, Switzerland, Sweden and other related nations.

The diplomatic action may include having such NNSC member nations as Switzerland, Sweden and Poland issue a joint statement charging the North Koreans with having infringed on their rights as armistice monitors, he added, speaking on condition of anonymity.

The North Koreans may attempt to raise the issue of a peace treaty with the United States in the upcoming high-level nuclear talks but the official said the government would cooperate with the U.S. Government to block such an attempt by the North.

Under the basic South-North agreement signed in 1992, the Armistice Agreement will remain intact until a peace treaty is concluded between the two Koreas, and the government intends to deal with the North's attempt in accordance with this agreement, he explained.

North Korea recently banned visits to its area of control at the Joint Security Area in the truce village of Panmunjom by NNSC members, a follow-up action to the earlier eviction of Czech and Polish NNSC members in an attempt to dismantle the truce supervisory regime.

UN Rejects North's Closing of Panmunjom Office

SK0405022595 Seoul KBS-1 Radio Network in Korean 0200 GMT 4 May 95

[FBIS Translated Text] On 4 May, the UN Command [UNC] stated that it resolutely rejects the North Korean

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Army's unilateral notification to close the Neutral Nations Supervisory Commission [NNSC] office in Panmunjom. In a statement issued today, the UN Command pointed out that in accordance with Article 61 of the Armistice Agreement, changes in the system of the Military Armistice Committee, such as closing the NNSC office, are not possible without agreement between the two parties concerned. It stated: We cannot accept North Korea's unilateral notification. Also, the UN Command stressed that North Korea's attempts to stop the activities of the Military Armistice Committee and the NNSC are a clear violation of the Armistice Agreement, urging the North Korean Army to abide by the Armistice Agreement.

Issues Rebuttal to Decision

SK0405084195 Seoul YONHAP in English 0829 GMT 4 May 95

[FBIS Transcribed Text] Seoul, May 4 (YONHAP)—The United Nations Command (UNC) issued Thursday a rebuttal to the Korean People's Army's (KPA) unilateral decision to dismantle the Korean Armistice Agreement, saying they "emphatically reject" the move.

UNC public affairs officer Col. Mike Sullivan stated, "We have not agreed to these changes and we categorically reject them. We continue to abide by terms of the Korean Armistice Agreement and we urge the KPA to do the same."

According to NAEWOE Press, the official North Korea watcher here, the KPA delivered a statement Wednesday through the Korean Central News Agency (KCNA) in which it stated its intention to permanently seal the NNSC's office space, lounge and recreation room on conference row, and require prior authorization for the UN Command's MAC (Military Armistice Commission) members, Neutral Nations Supervisory Commission (NNSC) officials and journalists to enter the northern zone of the Joint Security Area at the truce village of Panmunjom.

The UNC statement affirmed that the "United Nations Command does not agree to, or accept the charges, assertions and announcements made by the KPA (Wednesday)."

Under Paragraph 61 of the tri-language Armistice Agreement, a "mutual consent mechanism" for changing the MAC structure and other affiliated organizations' structures is in effect, thus prohibiting unilateral decisions to alter the pact, its structure and organizations.

However, the North Koreans have allegedly repeatedly broken the terms of the agreement, especially during the last several years in an apparent disregard for the implementation of the first Korean leader of the MAC, Maj. Gen. Hwang Won-tak, in March 1991, and in an endeavor to establish an exclusive bilateral peace agreement between Pyongyang and Washington which would consciously exclude the Seoul government.

"The KPA's attempts over the years to damage the Military Armistice Commission and its supporting bodies, including (Wednesday's) actions, are clear and consistent violations of the Korean Armistice Agreement," the UNC asserted.

Recently, the North Koreans forced their two delegations to the NNSC, Poland and the former Czechoslovakia, to withdraw from their territory, and persuaded the Chinese to recall its delegation from the MAC.

The KPA statement came Wednesday following talks between MAC officers and KPA officials at Panmunjom that same morning.

'Limited Package' for U.S.-DPRK Talks Urged

SK0405054695 Seoul KYONGHYANG SINMUN in Korean 4 May 95 p 2

[By Yi Pyong-kwnag]

[FBIS Translated Text] It was learned on 3 May that the ROK Government will try to come up with a limited package solution within the framework of the North Korea-U.S. Geneva agreement in preparation for the high-level talks between Gallucci and Kang Sok- chu scheduled for mid-May. Through the United States, the ROK Government plans to propose a timetable of the opening of the North Korean and U.S. liaison offices, and additional relaxation of sanctions on North Korea, in exchange for North Korea's acceptance of the ROK-model light-water reactors and North-South dialogue. The ROK Government reportedly already conveyed this position to the United States and Japan, which in turn agreed to the proposal. The ROK, the United States, and Japan will hold high-level talks early next week to discuss concrete strategies. A high-ranking ROK Government official said on 3 May: "North Korea's calculation for the high-level talks appears to be aimed for direct negotiations with the United States. North Korea's intention is absolutely unacceptable, but we are willing to discuss what North Korea wants within the boundary of the Geneva agreed framework."

If North Korea accepts the ROK Government's limited package solution, the timetable for North-South dialogue and the opening of liaison offices is likely to be decided simultaneously, bringing about a breakthrough in North-South relations.

Article Discusses Details of U.S.-DPRK Talks

SK0305134295 Seoul SISA JOURNAL in Korean 4 May 95 pp 16-18

[Article by reporter Nam Yu-chol]

[FBIS Translated Text] Charles Warden [name as transliterated], vice president of the Stanton business group, a U.S. power-generating equipment manufacturer, visited Seoul at the end of March, about two weeks before North Korea and the United States held negotiations over the

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light-water reactors in Berlin. Before he came to Seoul, he had visited Pyongyang and had just finished negotiations with North Korea on building a thermoelectric power plant and reopening an oil refinery there. While staying at the Ritz Carlton Hotel in Seoul, he met with high-ranking government officials, who are dealing with foreign and security affairs, and executives of large ROK business groups, to whom he expressed his opinion about the negotiations over light-water reactors which were about to resume soon. According to one ROK official who met with the Stanton vice president, Vice President Warden, a Ph.D. in economics from Harvard, said: "To adhere to ROK-style reactors is not necessarily beneficial to the ROK's national interests. Do not believe that the ROK is the sole provider of the fund." (Vice President Warden did not accept SISA JOURNAL's official request for an interview.)

"News Report That a Westinghouse Atomic Reactor Model Will Be Examined" Has Proved To Be True

At a time when the Stanton group's top executives were busy moving around in Seoul, the U.S. Government, too, was engaged in multilateral activities applying diplomatic pressure and lobbying to persuade the ROK Government to "give up on the ROK-style reactors." A senior assemblyman of the Democratic Liberal Party has even publicly said: "Through its embassy in the ROK, the United States is persistently lobbying some ruling and opposition party members of the National Assembly's National Unification-Foreign Affairs Committee, asking them 'not to adhere to the designation of ROK-style reactors.'" At that time, while providing influential U.S. media organizations with materials for some scoop news, the ROK Government, too, was publicizing its tough stance that "we can never make concessions concerning the ROK-style reactors." This was the time when some foreign media were reporting that the United States had been considering Westinghouse-model atomic reactors. SISA JOURNAL has recently confirmed that the Westinghouse model, which the United States has studied as an alternative to the Korean standard type, is the "Vandellos" type which Westinghouse provided to Spain. At the same time, the ROK has begun engaging in a series of moves aimed at consolidating its diplomatic solidarity with the PRC with a view to diplomatically checking the United States which is becoming close to North Korea.

On 13 April, the ROK Government applied diplomatic pressure on North Korea (and on the United States) by establishing ambassadorial-level diplomatic ties with Egypt which has maintained close relations with North Korea. ROK Government officials believe that the establishment of diplomatic relations between the ROK and Egypt may have considerably disgraced North Korea. According to an influential diplomatic source, at that time, North Korea had asked Egypt for an emergency support of 300,000 tonnes of food. The ROK Government's intelligence analysis at that time was that North Korea had run short of military provisions. When the Egyptian Government turned down North Korea's request, the pressed North Korea again asked Egypt to supply even "50,000 tonnes of food." It was learned that the Egyptian Government, which was supposed to establish ambassadorial-level diplomatic ties with the ROK soon, also flatly rejected this. A diplomatic source said: "I understand that North Korea had never before made such an ardent request to the Egyptian Government as it did that time."

Under the circumstances in which North Korea found itself, it was hard to expect North Korea, which is extremely proud, to make any concessions as to the atomic reactors model, even with the impending diplomatic pressure of the Berlin negotiations. Even before the third round of the expert-level talks began in Berlin, the United States, which had experienced similar circumstances, had repeatedly stressed that 21 April was a target date and not a deadline. The United States understood too well that, with the approaching local autonomous governments' elections, President Kim Yong-sam could not make broad concessions regarding the North, and that the United States would not be able to make any progress in the negotiations if the principle of "adhering to the designation of ROK-style light-water reactors" was maintained. Already at that time, the United States was changing its direction toward the adoption of a strategy, through high-level political talks, of making a breakthrough in the negotiations regarding the conclusion of a contract on the supply of light-water reactors.

The Clinton administration is well aware that if the North Korea negotiations plan is turned over to Congress—dominated by the Republican Party, which is maintaining a hard-line stance toward North Korea—the Geneva framework agreement would end in smoke. President Clinton, who has been on the spot with such diplomatic issues as Haiti and Bosnia, would face difficulties in being reelected if negotiations with North Korea become deadlocked. An influential source in the ROK well versed in the movement of high-ranking government officials predicted that "President Kim Yong-sam's visit to the United States in July will work as the grand finale of the negotiations."

The third round of light-water reactor negotiations in Berlin was ruptured, and the interests of the ROK, the United States, and North Korea are complicated and entangled over the issue of continuing further negotiations. We need to pay more attention to the particulars in which the United States and North Korea reached a virtual agreement during the past three rounds of light-water reactor talks, than to the formal rupture of the talks. Since the domestic press focused on the issue of stipulating "the ROK-model," people are under the impression that the light-water reactor talks made no progress at all. However, major sources related to the light-water reactors emphasize that there were a number of points on which the United States and North Korea reached agreement.

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Through a channel SISA JOURNAL declined to make public, SISA JOURNAL has recently confirmed that the United States and North Korea virtually agreed on concrete plans pertaining to the supply of light-water reactors, including the construction site of light-water reactors; the target date for the completion of the construction; the method of payment for the construction expenses; the guarantee of personal safety of technicians and their legal treatment.

The particulars of the light-water reactor negotiations, on which the United States and North Korea reached virtual agreement, are as follows:

1. The construction site of light-water reactors shall be the city of Sinpo, South Hamgyong Province.
2. The target date for completion of the construction for the first light-water reactor shall be the end of 2001.
3. North Korea shall pay the expenses for the construction of light-water reactors in 15 to 30 years, without interest.
4. North Korea shall pay the expenses of the light-water reactor construction in cash or in kind.
5. At the point of completion of the first light-water reactor, North Korea shall begin to eliminate nuclear facilities in Yongbyon and complete them by the time the second reactor is built.
6. North Korea shall guarantee the free use of communications to KEDO employees.
7. North Korea shall allow KEDO staff members to have diplomatic immunity privileges.
8. North Korea shall be responsible for the personal safety of all personnel dispatched by KEDO and provide protection for their consular affairs.
9. KEDO shall make efforts to employ North Korean workers for the construction.
10. KEDO will supply heavy oil to North Korea for its heating, power generation, and commercial purposes until the first light-water reactor is completed.

In particular, SISA JOURNAL confirmed that the responsibility for the supply of heavy oil—the issue about which lawmaker Yi Se-ki from the Democratic Liberal Party expressed concern at the National Assembly—was shifted from the United States onto KEDO. It was, thus, confirmed that the draft contract on the supply, which the United States put forward to North Korea as a negotiating plan during the third round of negotiations in Berlin, stipulates that "the KEDO ensures the supply of heavy oil to be used for heating, power generation, and commercial purposes, until the first light-water reactor is completed."

In the Geneva framework agreement, the United States agreed to supply heavy oil to North Korea free of charge, the maximum amount of 500,000 tons a year, in return for North Korea's energy loss resulting from the freeze of its nuclear facilities in Yongbyon. In January of this year, the United States already supplied the first shipment of 50,000 tons to North Korea. It plans to supply an additional 50,000 tons by this October, and 500,000 tons next year.

The U.S. Government, which paid for the first shipment, revealed on 5 January the hope that the expenses for the supply of second and third shipments will be paid by KEDO. This has touched off criticism by the public in domestic conservative quarters.

An agreement was reached on Sinpo, South Hamgyong Province, which was proposed by North Korea to be designated as the first construction site for light-water reactors. Sinpo is the area where North Korea began to build an atomic power station with the help of Russia, but suspended it midway. Thus, North Korea wished to designate this area from the early stages of the negotiations. Domestic experts are convinced that North Korea insisted on this area because it is close to the Najin-Sonbong District, a free trade zone, while it is far from the ROK and Pyongyang. The United States and North Korea virtually agreed to designate a second proposed venue only if an independent investigation organization determines that the first site is not suitable.

Safety of Technicians Will Be the Greatest Point at Issue During High-Level Political Talks

The United States and North Korea announced in the Geneva agreement that the construction of the second light-water reactor will be completed by 2003. However, the specific target date for the completion of the first reactor has not been revealed. It is likely that the United States and North Korea reached a provisional agreement at the Berlin light-water reactor negotiations to designate the end of 2001 as the "target deadline" for the completion of the first light-water reactor. They discussed a plan on the payment of expenses with a 10-year grace period without interest for the construction of light-water reactors. Regarding the terms of payment, they discussed two plans, one is "payment in 15 years," and another "in 30 years." North Korea demanded the plan for "payment of expenses in 30 years without interest, with a 10-year grace period," which is known as the best condition in international loans. In addition, North Korea proposed that the payment be made in kind, instead of cash. Neither the ROK nor the United States have raised specific objection to this proposal.

The more serious point of dispute than stipulating the ROK-type reactors during the second and third rounds of negotiations in Berlin was the issue of the status of technicians for the construction of light-water reactors. The United States demanded that North Korea grant diplomatic immunity privileges to KEDO members and its subcontractors and that the North Korean authorities guarantee the personal safety of all personnel dispatched by KEDO for the light-water reactor construction. However, it was learned that North Korea limited granting diplomatic immunity to those with the same nationality as the countries with which North Korea has diplomatic relations, and that North Korea would guarantee the personal safety of those with the nationality of the nations with which it maintains consular relations. It is observed that this North Korea demand is intended to

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restrict to the maximum the consideration of technicians with ROK nationality in the event that the ROK plays the central role in building light-water reactors. Thus, the status of technicians with ROK nationality and the issue of practically adopting the ROK-type reactors will likely be the greatest points at issue during the upcoming U.S.-DPRK high-level political talks.

Commentary on List of Illegal Software Copiers

SK0405005995 Seoul THE KOREA TIMES in English 4 May 95 p 8

[FBIS Transcribed Text] A private U.S. software organization has singled out five Asian countries, including Korea, as nations where the illegal copying of software is rampant, seriously damaging the U.S. software industry. The designation may lead to worry about further trade pressure by the U.S.

According to the Korea Foreign Trade Association (KFTA) yesterday, the Business Software Alliance (BSA) said in its annual global survey that the average software piracy rate in 14 Asian nations stands at 68 percent, which it called a "worst" situation.

In particular, it listed Korea, India, Indonesia, Thailand and China as the markets with the most serious problems.

BSA said that the governments of Taiwan, Japan and Hong Kong are applying brakes on software theft through education and crackdowns, while Korea remains unimproved as it showed the same level piracy rate as last year.

The survey results maintained that the piracy rate was 73 percent in Taiwan, 67 percent in Japan, 62 percent in Hong Kong and 58 percent in Singapore, while it was 78 percent in Korea.

It said the U.S. software publishing and distribution industries have lost 540 million dollars due to illegal copying in Korea.

The piracy rates in China, Thailand and Indonesia were 98 percent, 98 percent and 99 percent, respectively, it said.

BSA revealed that illegal copying in Japan resulted in losses amounting to 2,076 million dollars last year, around four times as much as suffered in Korea.

BSA said that it surveyed a record 77 countries, up from 54 last year, adding that the dollar loss estimates due to software piracy in the 54 countries surveyed last year showed an increase of 2.1 billion dollars, rising from 12.8 billion dollars in 1993 to 14.9 billion dollars in 1994.

The 23 new countries surveyed this year increased the 1994 total by 335 million dollars, with nearly one third of this amount resulting from software theft in Hungary, BSA said.

A KFTA official said that Korea's efforts to protect intellectual property rights had not been assessed correctly.

President on Reactor Issue, Japan's Resolution

SK0405104595 Seoul YONHAP in English 1034 GMT 4 May 95

[FBIS Transcribed Text] Tokyo, May 4 (YONHAP)—South Korean President Kim Yong-sam said on Thursday that if North Korea rejects the South Korean model of light-water reactors to be furnished to the North under the U.S.-North Korea framework agreement to the end, they would suffer "a great deal."

Kim said South Korea won't make any concession over the reactor issue despite the projected high-level talks between the United States and North Korea.

The president made the remarks in a press conference held at Chongwadae [presidential offices] in Seoul with Japanese correspondents in Korea.

"If North Korea persists in turning down the South Korean model, they would lose the economic benefits of 4-billion-dollar reactors plus heavy oil and, in addition, would be denied an opportunity to improve their relations with the United States," Kim said.

In the interview which the KYODO News Service and other Japanese media reported Thursday afternoon, President Kim also said he hopes the Japanese Diet will adopt the controversial no-war resolution in favor of a hoped-for future of South Korea-Japan relations.

Asian countries' keen attention, he said, is being drawn to the issue of the no-war resolution now under hot debate at the Japanese Diet.

The president was quick to add, however, that it is totally up to the Japanese Government and Diet whether or not the no-war resolution would be adopted.

On the issue of Japanese Emperor Akihito's visit to Seoul, President Kim said his visit could be realized within "my term of office" which lasts through February 1998.

He hinted that Japanese politicians' "disparaging remarks" have marred an atmosphere for the emperor's visit to Korea by saying such remarks have "harmed Korean people's sentiments."

President Kim said Korea-Japan relations should be future- oriented, for which, he said, Japan should correctly realize things of the past.

Touching on the Japanese move to improve ties with North Korea, Kim said that basically he does not oppose the improvement of Tokyo- Pyongyang relations.

"However, any improvement of Japan-North Korea relations should be promoted in a way that will be

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helpful to peaceful unification of the Korean peninsula as well as to the promotion of South-North dialogue," Kim said.

The president further said he believes a South-North summit meeting, which has been shelved due to Kim Il-song's death, will be realized once some one assumes the presidency of North Korea.

Article Analyzes Status of DPRK Energy Supply

SK0305144995 Seoul SISA JOURNAL in Korean 4 May 95 pp 18-19

[By Nam Yu-chol]

[FBIS Translated Text] North Korea is exerting every effort to attract foreign investment in order to overcome an economic impasse. A stable power supply is one of the most important conditions for attracting foreign investment. A Daewoo Group official who recently visited Nampo industrial complex said: "Due to the unstable power supply there, it is difficult to expect normal production unless there is an independent power generator." Lack of electricity almost paralyzed all industrial facilities in North Korea, which recorded a negative economic growth for the fifth consecutive year.

According to UN data, estimated power generation in North Korea in 1979 was 2 billion kwh more than the ROK's 28 billion kwh owing to its rich coal and water resources. However, North Korea's energy policy, which pursues "self-reliance," wasted too much investment in building large-scale hydraulic power plants. Recently, the mining volume of rich coal decreased and the quality also deteriorated, imposing limits on thermal power generation. According to foreigners who recently visited Pyongyang, even first-class hotels experience power failures.

During U.S.-North Korea talks, North Korea always asserted that the construction of the nuclear power plant in Yongbyon was meant for increasing electricity, not for nuclear weapons development. The U.S. justification for supplying light-water reactors to North Korea in exchange for giving up the Yongbyon nuclear power plant was also to compensate for the loss of power supply.

Then, how much would the two light-water reactors contribute to solving North Korea's energy problem? Energy experts believe that it would be difficult to solve the current power shortage with the two light-water reactors with 1 million kw capacity each. The power generation capacity of the light-water reactors is too marginal. According to data from the United Nations and other international organizations, North Korea's total power generation in 1990 is estimated at 9.5 million kw. The two light-water reactors would only increase the total volume by approximately 20 percent. Besides, it takes seven years to complete the reactors. Professor Chang Yong-sik of the New York State University wrote a thesis "North Korea's Energy Economics" in which he asserted: "North Korea is not planning on atomic energy for economical power generation." His theory is that, to North Korea, thermal power generation using coal is more economical and efficient than atomic energy.

Evaluating North Korea's energy policy using the capitalist economic theory on opportunity cost may be inappropriate. Pursuant to the chuche idea that stresses self-reliance, North Korea has focused on utilizing domestic energy. Not giving precedence to economic calculation, North Korea maximized the use of its rich coal and extremely and almost morbidly avoided oil consumption. With uranium in its possession, it is likely that North Korea judged it can become self-sufficient in energy once it acquired atomic energy technology. Chong U-chin, senior researcher of the Energy Economics Institute, said: "Atomic energy may be the ideal alternative to North Korea because uranium is not imported and it fits the chuche idea." Dr. Peter Haze [name as transliterated], U.S. expert on the nuclear issue of the Korean peninsula, said: "It is true that we regarded North Korea's nuclear power plant construction too much from the standpoint of nuclear weapons development."

At any rate, the excessive shortage of electric power paralyzing North Korea's industrial facilities is a problem that must be solved as soon as possible. Even if the light-water reactor is built, the shortage of electric power will not be eliminated, and North Korea does not have time to spare waiting until the year 2001. North Korea's situation is such that it needs new power facilities immediately to lure foreign investment. It must immediately find another way other than the light-water reactor to secure electric power. Recently, North Korea concluded a contract with the Stanton group, a U.S. power-generation facility company, to carry out joint projects. This is a case in which North Korea's own efforts and the U.S. company's interest were in conformity with each other.

It was learned that the Stanton group, with headquarters in Boston, will build a thermal power plant in North Korea and repair the Sungni Chemical Plant, an oil refinery plant with a yearly output of 2 million tonnes, and refine its crude oil. According to a source in Seoul, it seems that the Stanton group is receiving a considerable amount of financial assistance from the U.S. Government. There was a "honeymoon" under the light-water reactor negotiating table in which North Korea and the United States were experiencing difficulties.

However, there is a high possibility that, ultimately, the short-sightedness of North Korea's political strategy to exclude the ROK, and the Clinton administration, which takes lightly the ROK's position, may reach a limit before the economic theory surrounding the Korean peninsula. Recently, the United States even diplomatically threatened the ROK Government by saying that if the ROK continues to be stubborn, it will hold hands only with Japan and supply North Korea with the light-water reactors. However, there is no country on this

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earth other than the ROK that will furnish funds worth $4 billion for the light-water reactors. In the case of Japan, the establishment of diplomatic relations must be a precondition. The expansion of Japan's influence toward North Korea is by no means what the United States and China want. Ultimately, a request for funds for North Korea's economic development will be made to the ROK. A good example of this is the joint venture project between the Stanton group and North Korea.

Currently, North Korea does not even have a penny to build a thermal power plant and to buy crude oil to be refined by Sungni Chemical. North Korea needs the Stanton group because of this kind of situation. The Stanton group must borrow construction funds, introduce crude oil, and sell the refined petroleum products in place of North Korea which received an adjudication of bankruptcy from almost all Western banks. However, the countries that are at the most suitable distance to have price competitiveness regarding the petroleum products are "unfortunately" only the ROK and Japan. The ROK is the only country that can deal with spot goods with interest rather than cash which will be supplied to the Stanton group by North Korea. The ROK has a short transportation distance and entrusts nontariff benefits. Therefore, recently, executives of the Stanton group visited Seoul and tried to have contacts with ROK conglomerates.

Experts are in agreement that the fastest and most inexpensive way to eliminate North Korea's shortage of electric power is to send the ROK's leftover electric power to North Korea. The shortage of North Korea's electric power lies more in the backward facilities of transmitting and distributing power rather than the absolute lack of power generation. Without repairing the transmission and distribution facilities, North Korea's electric power shortage could not be eliminated even if 10 light-water reactors were built. Moreover, because the pattern of demand of electric power between the South and North during peak times is different, the exchange of South and North electric power is a fantastic economic cooperation project between the South and North. Professor Chang Yong-sik of New York State University emphasized: "If we linked the Uijongbu transformation substation and the Kaesong transformation substation, it would be possible to secure additional electric power equivalent to having completed a power plant with the distribution facilities amounting to several million dollars."

There are people who point out that the building of the light-water reactor, which costs an enormous amount of money and which can destroy the environment, should not have even been examined as an alternative when the U.S.-DPRK negotiations first started. The ROK should have actively unfolded diplomatic efforts pointing out the "theoretical inconsistency" of the light-water reactor to the United States. The Clinton administration, which concentrated only on resolving North Korea's nuclear issue before the challenge for reelections, is thinking of its government's short-term interest rather than the macroscopic goal for reconciliation on the Korean peninsula. If the building of the light-water reactor is truly of practical economic interest to North Korea, there is no reason for the ROK to oppose it. However, if the enormous amount of $4 billion is spent in the political game to improve U.S.-DPRK relations, it is a heavy burden for both South and North Korea and only a waste. Also, during the 10-year construction period, the United States and Japan will automatically interfere in the Korean peninsula issue. There is a high possibility that the light-water issue may intensify South-North discord rather than bring genuine South-North reconciliation.

Weekly Examines Prospects for DPRK Economy

SK0405090695 Seoul SISA JOURNAL in Korean 4 May 95 pp 20-21

[Article by reporter Yi Kyo-hwan: "North Korea Will Not Be Able To Turn Its Back on the ROK Even If It Establishes Diplomatic Relations With the United States and Japan—North-South Economic Cooperation Will Be Inevitable in the Long Run as Western Companies Are H- itant About Investing in North Korea"]

[FBIS Translated Text] Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress, recently visited the ROK. Qiao Shi is third in the Chinese power hierarchy after Jiang Zemin and Li Peng. He attracts special attention since he has no enemy among reformers and conservatives, and thus stands a rather good chance of assuming power when Deng Xiaoping dies.

Why did Qiao Shi visit the ROK all of a sudden? When he was visiting the ROK, the domestic media did not pay much attention to the political background of his visit to the ROK. The ROK Government, as well, did not clearly explain the significance of his visit. The general feeling is that he visited the ROK because both the ROK and China want to strengthen diplomatic solidarity with each other in preparation for the establishment of diplomatic relations between North Korea and the United States, which will be made possible when the light-water reactors negotiations are concluded.

When the light-water reactors negotiations under the Geneva agreement are concluded, the United States and North Korea will open liaison offices and establish diplomatic relations. We may examine Qiao Shi's visit in connection with this possibility. Kil Chong-u, a senior fellow at the Research Institute for National Unification, said: "China supports the improvement of relations between North Korea and the United States. However, China understands that the United States intends to establish diplomatic relations with North Korea in order to keep China in check. Therefore, we can assume that Qiao Shi visited the ROK to strengthen relations between China and the ROK in preparation for the establishment of diplomatic relations between the United States and North Korea."

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In connection with Qiao Shi's visit to the ROK, it is necessary to seriously examine the fact that Yi Kon-hui, chairman of the Samsung Group, held talks with Chinese President Jiang Zemin on 12 April in Beijing. The fact that Chairman Yi and President Jiang held long talks is unusual even though the Samsung Group plans to invest massively in China. This is why many people believe that in an effort to strengthen economic ties with China, the ROK Government "diplomatically" arranged the Yi-Jiang talks in Beijing at around the time when Qiao Shi was visiting the ROK.

Around the time when Chairman Yi Kon-hui was concluding his China visit, news media reported that the ROK was holding discussions with China to schedule a May visit to China by ROK Defense Minister Yi Yang-ho. If he visits China, he will be the first ROK defense minister ever to visit China. They also reported that Defense Minister Yi intends to visit China to diversify relations between the ROK and China, the only country that still provides military assistance to North Korea. Defense Minister Yi's visit to China can be interpreted as part of the ROK's diplomatic efforts to develop ROK-China relations in the military area, as well, in view of the rapidly changing situation in Northeast Asia.

The establishment of diplomatic relations between the United States and North Korea will likely be pursued in tandem with the establishment of diplomatic relations between North Korea and Japan. Assistant U.S. Secretary of State Gallucci once stated that the United States does not oppose the establishment of diplomatic relations between North Korea and Japan before the United States and North Korea establish diplomatic relations. The United States, which has admitted Japan into the Korean Peninsula Energy Development Organization, has made clear its intention to embrace Japan and keep China and Russia in check.

Most experts think that the establishment of diplomatic relations between the United States and North Korea and between North Korea and Japan will not only bring about massive changes in the political and economic situation in Northeast Asia but greatly affect North-South economic relations. The immediate goal of North Korea's efforts to establish diplomatic relations with the United States and Japan is to resuscitate its comatose economy, by attracting Western investment and without promoting economic cooperation with the ROK.

The reason North Korea persists in trying to establish diplomatic relations with the United States is because this will have the effect of reducing the investment risk for Western enterprises. While holding investment seminars in Germany, Finland, and Japan over the past two years, North Korea has made pronounced efforts to introduce foreign capital. Contrary to exaggerated press reports, however, it has failed to gain any practical results. This is because it is too dangerous politically for Western countries to invest in North Korea.

If diplomatic relations with Japan are established, North Korea can receive postwar compensation money from the Japanese Government and, with this money, it can build the much-needed, social overhead capital facilities. It has been recently learned that the delegation of the Japanese ruling coalition parties, which visited Pyongyang in February, promised to provide $12 billion to North Korea when diplomatic relations are established. The establishment of North Korea-Japan diplomatic relations will help open the way for North Korea to legally take in a great amount of capital from the General Association of Korean Residents in Japan [Chongnyon]. The North Korean authorities expect that they can take in 20 trillion yen of the total capital in Chongnyon—which amounts to approximately 44 trillion yen and includes liquid assets and real estate—in the event that North Korea-Japan diplomatic relations are established.

Such a great amount of compensation money and funding from Chongnyon must be a factor in accelerating, in a short-term manner, the advance of Western enterprises of the United States and Japan into North Korea. It seems that this will help North Korea out of its economic difficulties. In particular, it is expected that North Korea will use the compensation money from Japan to give an order for carrying out construction for the social overhead capital project within the Najin-Sonbong free trade zone.

AT&T, Coca Cola, IBM, and General Motors are U.S. enterprises that have already completed market surveys of North Korea or signed investment contracts with the North Korean authorities. In particular, AT&T began its direct telephone operation service between the United States and North Korea on 11 April. This is in preparation for the prospective telecommunications demand of U.S. enterprises when they begin business in North Korea following the establishment of U.S.-North Korean diplomatic relations. Furthermore, AT&T intends to undertake the important construction project of the social overhead capital facility, the so-called communication network, of North Korea. Regarding North Korea as its base, it seems that AT&T will advance into the three northeast provinces of China where growing market demand is expected.

Japanese enterprises hoping to advance into North Korea are mainly corporations, electronic companies, and construction companies. In particular, it seems that the Japanese corporations have steadily contacted the North Korean high-level authorities and have already decided on investing in various areas. Investment in North Korea by Japanese corporations is likely to take the form of commissioned processing work in consumer materials, including textiles.

If U.S. and Japanese enterprises earnestly carry out the work to invest in North Korea as a result of the establishment of diplomatic relations between the United States and North Korea and between North Korea and Japan, North Korea will try to avoid economic cooperation with the ROK which it perceives is a threat to its political system, and will try to avoid intergovernmental

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dialogue with the latter. On the other hand, it is clear that even with the influx in capital and technology from the United States and Japan, North Korea will continue to concentrate efforts on strengthening economic cooperation with Western countries, as it does not expect its people to be stirred up by them.

It appears that the ROK Government and business circles will worry that the improvement of North-South relations through North-South economic cooperation may "cross the Rubicon river," following the establishment of diplomatic relations between the United States and North Korea, and between North Korea and Japan. ROK hard-line conservative forces against the North would feel even more defeated by the establishment of diplomatic relations. However, ROK experts agree that, in the mid-to-long term view, North Korea would not be able to exclude the ROK if it plans to solve economic difficulties by inducing foreign investment.

Even if North Korea succeeds in establishing diplomatic ties with the United States and Japan, Western corporations would still consider it risky to invest in North Korea, whose economic merits are not substantial. This is why most Western companies want to do business in North Korea in partnership with ROK companies.

Hong Chi-son, chief of North Korean affairs of the Korea Trade Promotion Corporation, said: "Particularly, U.S. companies are well aware that investment in North Korea is highly risky and they want to do business in North Korea in partnership with ROK companies. In the worst case, the ROK may have to guarantee the investment security in North Korea for Western companies."

Dr. Kil Chong-u of the National Unification Institute said: "North Korea is not yet marketable and not ideal for short-term profit. If ROK companies fail to do business in North Korea, Western companies would also hesitate to invest in North Korea. Eventually, it would be difficult for North Korea to induce up-scale investment from the United States, Japan, and other Western countries if it excludes economic cooperation with ROK companies."

Adding compensation from Japan and funds from the General Association of Korean Residents in Japan, North Korea still does not have sufficient funds for social overhead capital facilities required by Najin-Sonbong and other new special economic zones. The ROK is the only one who has both the economic motive and ability to provide such a huge amount of capital for social overhead capital projects. Few ROK companies are able to invest on their own in North Korea—it is only possible with loans and aid by the ROK Government. If North Korea is serious about economic development, it should sit face-to-face with the ROK Government. North Korea's economic exchanges excluding the ROK would have little significance to the United States and Japan.

ROK companies do not have to be strained or become overly competitive with each other even if U.S. and Japanese companies start business in North Korea ahead of the ROK. The ROK Government should not regulate business in North Korea either but leave it to the companies. Experts point out that the ROK Government should be aware that, in economic theory, the competition among ROK companies has its limits. The ROK should not be nervous politically or economically about the establishment of diplomatic relations between the United States and North Korea, and between North Korea and Japan.

Journal Details Russian Arms Accepted by Seoul

SK0405003895 Seoul SISA JOURNAL in Korean 4 May 95 p 12

[By reporter Kim Pang-hui]

[FBIS Translated Text] The Defense Ministry confirmed an earlier SISA JOURNAL (20 April 1995 No. 286 page 72) report on the list of Russian defense industry material the ROK decided to accept as part of the principal and interest on the economic cooperation loan provided to Russia. On 21 April, the Defense Ministry announced that half of the first installment of the reimbursement of the economic cooperation loan, which totals $200 million, will be repaid by providing Russian such defense industry material to the ROK as up-to-date tanks and armored cars as well as portable anti- tank and anti-aircraft missiles. SISA JOURNAL had reported that up-to-date weapons such as Russia's T-80U tank, BMP3 armored car, the portable anti-tank missile Metis-M, and the portable anti-aircraft missile IGLA would be shipped to the ROK as part of the principal and interest on the economic cooperation loan; once in the ROK, these items would be dispatched to the military for educational use.

In connection with bringing in Russian defense industry material, the Defense Ministry revealed: "These are being introduced to study the expected weapons system North Korea already possesses or plans to possess. They are also being introduced to develop counter tactics; in case of emergency they will be used for war capability."

Doubts being raised in connection with bringing in Russian defense industry material focuses on how many of each item will be brought in. The Defense Ministry did not reveal the quantity of the four kinds of defense industry material to be brought into the ROK.

The plan regarding Russia's repayment officially announced by the Ministry of Finance & Economy Board, which is currently engaged in negotiations with Russia, is to repay in kind no later than late 1993 [date as received] the unpaid principal and interest totalling $387.5 million and overdue interest totalling $4.3 million; they are also to repay in kind by 1998 $457 million, which includes $58.9 million in interest accumulated by 1998. The amount that will be repaid through the four kinds of defense industry material is 45 percent of the total, or $228.1 million.

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However, experts well versed in ROK-Russia defense industry cooperation claim there is a possibility the quantity of weapons brought in as defense industry material may be more than the official amount. Moreover, the fact that bringing in Russian defense industry material has generated great opposition from at home and abroad is one element in the government's avoidance of revealing the quantity of Russian defense industry material to be brought into the ROK.

An expert stated: "It has been pointed out within the military and overseas that the quantity of defense industry material to be brought in and used for educational purposes is too much." In particular, it has been learned that the United States is greatly concerned about bringing Russian defense industry material into the ROK.

Seoul, Australia Increasing Energy Cooperation

SK0405012295 Seoul THE KOREA HERALD in English 4 May 95 p 8

[FBIS Transcribed Text] Korea and Australia are stepping up their cooperation in energy and resource sectors through the latest round of bilateral energy talks, said the Ministry of Trade, Industry and Energy yesterday.

The talks, which just concluded in Canberra, will lead to research and industrial collaboration between the two countries, according to ministry officials.

During the talks, Korean delegates have reportedly reiterated a Korean industrial consortiums' strong interests to take part in the upcoming exploration project for a soft coal mine in New Wales.

The consortium, which will soon take part in the bidding, is made up of Pohang Iron and Steel Co., and Korea Electric Power Corp. among others.

UN Human Rights Commission Appointee Interview

SK0405091395 Seoul YONHAP in English 0852 GMT 4 May 95

[Article by Hwang Tu-hyong: "Paek Feels Sense of Responsibility as First Korean UN Rapporteur"]

[FBIS Transcribed Text] Seoul, May 4 (YONHAP)—The first Korean appointed to a high-level United Nations post in charge of human rights affairs said Thursday that he felt a sense of mission and responsibility for international peace and security as his appointment represented South Korea's heightened status in the international human rights arena.

"Although I cannot represent South Korea while doing my job as a rapporteur of the UN Commission on Human Rights, I myself feel a strong sense of mission and responsibility for international peace and security," said Paek Chung-hyon who was recently appointed the special rapporteur on the situation of human rights in Afghanistan by the UN Commission on Human Rights.

"That's because my appointment was the result of South Korea's improved image as a country honoring human rights," said Paek.

Afghanistan currently suffers from examples of virtually every sort of human rights abuse including those involving women and children as well as war victims incurred by the arms supply process, smuggling and narcotics, Paek noted.

"Afghanistan is a typical case in which one country is embroiled with ethnic, regional, political and religious strifes after getting independence from colonial rule," said Paek. "Those factionalisms are usually covered under a strong enthusiasm for national independence during the colonial rule but are released rapidly as soon as independence is gained."

Human rights violations in Afghanistan usually result from such internal struggles as those involving religious, ethnic and political powers, said Paek, who added, "The dynamics of international powers including Russia, the United States, England and Afghanistan's neighboring countries also aggravate the already difficult political and human rights situations in the country."

Afghanistan was long ruled by England before it was ruled by Russia these last few decades, according to the dean of Seoul National University's Law College.

"That's why the Afghan issue is so important for international peace and security," said Paek who warned that the Afghan issue could undermine international peace and security unless it is solved smoothly.

He said that he will have to present to the UN Commission on Human Rights a report suggesting whether the United Nations should provide humanitarian assistance to Afghanistan, impose economic sanctions or take tougher measures to get the country to improve human rights conditions.

He has already started working on the Afghan report which he is to present to the United Nations when the UN General Assembly convenes, although his official tenure doesn't begin until this coming September.

According to the professor of international law, the conspicuous changes in the way the world community deals with human rights situations in a given country after World War II is that it started to approach 'collective' human rights issues from the standpoint of international law.

Before the Second World War, the international community just showed an interest in 'individual' human rights issues with no international instrument to deal with them, Paek said.

A UN declaration on human rights in 1948 and the international covenant on human rights worked as

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modern instruments for international interference in domestic human rights conflicts which previously had been considered interference in a country's internal affairs, said the professor.

He said that he had proposed setting up a regional forum for human rights issues in the Asia-Pacific region last year when an Asia-Pacific regional meeting of the UN human rights center was held in Seoul.

He made the proposal at that time because he thought that each country in the region has its own cultural and realistic characteristics when dealing with human rights situations.

A Yale University professor, who is also chairman of the Inter- American Commission of the UN Human Rights Commission, recommended Paek as the UN rapporteur for the Afghan human rights project apparently because he was impressed by the speech Paek made during the Seoul meeting.

Touching on the domestic human rights situation, Paek said that the country is marching towards being a second rate country in the fields of human rights and culture with many things awaiting to be done in such fields.

The law expert, however, said that one should take into consideration the special situations in which each country operates when accusing it of human rights abuses, commenting on the country's National Security Law which is often cited by Western countries as one that severely encroaches upon human rights.

South Korea cannot be directly compared with the United States, Britain or any other advanced country with regard to its human rights situation because the world should consider its status as a divided country which is confronting the communist North, he said.

Although he could not get accurate information on the human rights situation in North Korea, he thinks North Koreans must have difficultly preserving their human rights considering the information made available by Amnesty International and other international human rights bodies.

On the issue of comfort women, who were forced to act as prostitutes for Japanese soldiers during the Second World War, he claimed that the Japanese should try to resolve the issue not for the people of South Korea but for themselves because Japan cannot become a first-class country unless it solves this issue.

"The Japanese Government's claim that the comfort women issue has already been solved when South Korea and Japan signed the Korea- Japan basic treaty in 1965, which provided Korea with compensation for the Japanese colonial rule of Korea, cannot be justified because the Japanese Government has never acknowledged the existence of the war prostitutes until recently," said the professor.

"How could they compensate for the damage to the comfort women in 1965 when they did not acknowledge the existence of them," said Paek. "Unless the Japanese resolve the issue, Japan is just a third- class country regardless of its economic power."

Kim Yong-sam Discusses Taegu Gas Explosion

SK0405005095 Seoul THE KOREA TIMES in English 4 May 95 p 2

[FBIS Transcribed Text] President Kim Yong-sam said Tuesday [2 May] that he felt shame when he received messages of condolences for victims of the Taegu gas explosion from foreign leaders.

Kim made the remark in a dinner he hosted for a score of lawmakers of the ruling Democratic Liberal Party [DLP] Tuesday evening. Kim is president of the DLP.

Kim said that the government is also the victim of the tragedy, pointing to the boisterous public criticism directed at the administration.

"Many people died due to some persons's carelessness. The administration, in a sense, is a victim of the unthinkable accident," Kim said.

Comparing the Taegu gas explosion with the blast at the federal building in Oklahoma City, Kim expressed wonder over the fact that popularity of President Bill Clinton has been rising despite the worst terrorism in the U.S.

"The U.S. authorities have yet to find 70 bodies buried in the debris of the destroyed federal building. If the situation was like that in Korea, the people and mass media would make a great fuss," Kim said.

Kim complained about the mounting public criticism in a roundabout way, saying, "I cannot but wonder why the popularity of President Clinton is rising despite the fact that the U.S. government should be blamed for failing to prevent such a terrorist act."

Kim discounted the alleged rising popularity of the United Liberal Democrats [ULD] in Chungchong Province as a bubble. The ULD is led by Kim Chong-pil who bolted from the DLP in power feud with President Kim.

As Rep. Kim Pom-myong of Nonsan, Chungchongnam-to, expressed concern over the "Chaminnyon (ULD) wind" in the province, President Kim said, "I think you are crying wolf. I believe that the general sentiment in Chungchong Province is not against our party."

Commenting on the so-called "T-K (Taegu-Kyongsangpuk-to) sentiment," President Kim said, "It is a mere fallacy. Those who coined the word 'T-K sentiment' will soon find that they were totally wrong."

It is a common belief that anti-party to President Kim and his administration runs high among residents of Taegu and Kyongsangpuk- to who saw their favorite

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sons, such as Pak Chol-on and Pak Chun- kyu, arrested or forced to leave politics in the whirlwind of President Kim's clean-up campaign.

Many DLP lawmakers have expressed concern that the ruling party will suffer setbacks in the region in the June 27 local elections.

Cabinet Meeting 'Heated' Over Taegu Explosion

SK0405012895 Seoul THE KOREA TIMES in English 4 May 95 p 2

[By staff reporter Sin Hak-lim]

[FBIS Transcribed Text] A Cabinet meeting was held once a week, usually on Tuesday, to deal with various issues facing the administration. However, heated debates were rare among Cabinet members because they were tabled to the meeting after inter-ministry differences were ironed out.

As a result, the Cabinet meetings, in most cases, served as a rubble-stamp formality in the authoritarian regimes.

Since the inauguration of the Kim Yong-sam administration in February, 1993, however, things have changed. There has been frequent discussions on foremost issues at the current Cabinet meetings, a ranking official at the Prime Minister's Office told THE KOREA TIMES yesterday.

A bull session during this week's Cabinet meeting was particularly heated because of sharp differences among several members in their analysis of causes of the Taegu gas explosion last Friday and in their approach to prevent the recurrence of such a tragic accident, which was a focal point in the meeting.

After a package of measures in aid to the victims of the gas explosion at a subway construction site in Taegu are decided on without objections, Cabinet members had conversations on the causes of the tragic accident and on how to help prevent the recurrence of such a massive accident.

A couple of ministers placed emphasis on the necessity to reform and streamline the management of underground gas lines, suggesting that some sophisticated devices be installed to that end. But some others claimed that the government is not the only one responsible for the Taegu explosion which a joint police-prosecution investigation team initially announced was caused by a gas leak from underground pipe damaged by "unauthorized" digging for a nearby department store construction.

Trade-Industry-Energy Minister Pak Chae-yun and Science- Technology Minister Chong Kun-mo argued seriously against each other.

Minister Chong, a renowned nuclear physicist, pointed out that the government needs to take further preventive measures for the safe management of under ground gas lines, including the installation of ultramodern remote-controlling devices at main lines and at medium-sized pipes at residential areas.

In the United States, the installation of the integrated gas line management system, dubbed "supervisory control and data acquisition (SCADA) system," which started in 1960s, is still under way.

He also suggested that the government needs to make it compulsory for gas companies to make detailed maps on gas lines in addition to design drawings as in some advanced countries.

Minister Pak, for his part, countered that his ministry has taken various steps to help ensure the safe management of gas lines since a huge explosion at a fuel gas storage in Ahyon-tong, central Seoul last October.

Apparently worrying that the lingering controversy over the government's ineffective management of gas lines will have an ill effect upon the ruling party in the June 27 local elections, the former senior secretary to President Kim Yong-sam on economic affairs argued that the government is not responsible for the Taegu gas explosion, according to the official who attended Tuesday's Cabinet meeting.

Motor-Operated valves are already installed on main gas lines for the remote control but the self-sensored remote control system is unfit for medium-sized gas lines and, as a result, such a system was not adopted for all gas lines in the United States and other advanced countries.

Agriculture-Forestry-Fisheries Minister Choe In-ki supported Minister Chong by saying that it is necessary to revise relevant laws or enact a special law to install an integrated facility duct in order to prevent damage on gas pipes during other public works.

There are six kinds of facility lines entangled underground—gas pipe, communication and electric lines, potable water and sewage pipe and rainwater pipes, Minister Choe said, "Frankly speaking, I felt terrible when I saw the entangled facility lines."

Environmental Minister Kim Chung-wi, a three-term lawmaker, called upon Justice Minister An U-man to explain to the people in more detail the causes of the gas explosion in Taegu so that unnecessary misunderstandings cast by some citizens and news media may be cleared up.

Other ministers continued to call for more preventive steps by the government but Trade-Industry-Energy Minister Pak did not inch away and said in a loud voice, "Such remarks may lead to all responsibilities being passed over to the administration."

Hearing out the heated verbal war, Prime Minister Yi Hong-ku concluded by saying, "In fact, some accidents which have taken place in recent months result from

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various problems accumulated during the decades of the modernization drive and it is true that the people's sense of safety is low.

"However, the incumbent government should reflect upon itself in a humble manner and do everything it can to prevent the recurrence of safety accidents," Yi was quoted as saying.

'Antistate Criminals' Law Referred to Court

SK0405005695 Seoul THE KOREA HERALD in English 4 May 95 p 3

[FBIS Transcribed Text] A law specially enacted 18 years ago to punish a treacherous ex-intelligence chief has been referred to the Constitutional Court for review on its possible violation of the Constitution.

The court's decision may pave the way for the family of Kim Hyong-uk, who mysteriously disappeared in Paris 16 years ago, to regain a huge amount of his property which was confiscated by the state.

The Seoul District Criminal Court, accepting the request of Kim's wife, Sin Yong-sun, 64, yesterday asked the Constitutional Court to make judgment on the constitutionality of some clauses of the law on punishing "antistate criminals."

Kim, who served as head of the then Korea Central Intelligence Agency (KCIA) for six years under Pak Chong-hui, was sentenced to seven years in prison in a trial held without his presence in 1982.

On the basis of the "antistate criminals" law, the court also ordered the confiscation of Kim's properties in Korea, worth about 15 billion won (about $18 million).

The law also did not recognize the right to appeal after the first trial. The Constitutional Court ruled in 1993 that limiting the right to appeal is unconstitutional. The 1993 ruling led to the opening of the appeals trial of Kim's case last November.

In deciding to ask for the Constitutional Court's judgment, the Seoul District Court noted that some clauses of the law are ambiguous and may cause violation of basic rights guaranteed by the Constitution.

It specially pointed to clauses stipulating judgment by default for people conducting antistate activities abroad and obligatory confiscation of properties.

One of key members of the May 16, 1961 military revolution led by Pak, Kim served as KCIA chief from 1963 to 1969. He is one of the Military Academy classmates of Kim Chong-pil.

He later betrayed Pak and defected to the United States in 1973, becoming a vocal critic of Pak's regime. He disappeared on a tour of Paris in 1979.

In a memoir published after his death, Kim made many allegations, including one that the Korean government made fabrications in handling such sensitive incidents as the 1974 assassination of the wife of President Pak.

For making such allegations, he was charged with violation of the law on anti-state criminals in 1982 and sentenced to seven years' imprisonment in a trial held without his presence.

The special law was enacted in the wake of Kim's congressional testimony against the Pak regime in 1977.

President on 'Epoch-Making' Educational Reforms

SK0405064495 Seoul YONHAP in English 0631 GMT 4 May 95

[FBIS Transcribed Text] Seoul, May 4 (YONHAP)—The administration plans to make public soon "an epoch-making educational reform," reducing the students' burden of entrance examinations.

President Kim Yong-sam disclosed Thursday [4 May], "An epoch- making educational reform will be announced soon that is designed to relieve children of the heavy burden of entrance examinations and train them as masters of the 21st century and servants of the democratic society."

The chief executive made the remark in a meeting with reporters from the nation's children's newspapers at Chongwadae [presidential offices] on the eve of Children's Day.

"The most important thing among what the president and the government are doing at the moment is changing our educational system significantly," he said.

On the formula of entering special-purpose high schools such as science and foreign language high schools, Kim said, "A formula will be devised in the future under which applicants are admitted to special-purpose high schools without having to make separate preparations for admission. On the other hand, such schools will be encouraged to operate in compliance with the original purposes of their establishment."

Science and foreign language high schools in recent years have distinguished themselves by having a large percentage of their students enter some of the country's most prestigious universities.

On the subject of traffic accidents involving students, the head of state discussed a plan that would help drastically reduce traffic accidents involving children by designating specific neighborhoods around schools and important portions of roads within a 300-meter radius "children protection areas," where traffic safety devices will be sharply expanded. Driving over the speed limit and unlawful parking near schools will be prohibited, he also added.

As to the issue of changing the name of elementary schools from the present "Kungmin" to "so" or "small,"

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"normal," "basic," "elementary" or "children's" school, the president said, "The final decision will be reached in such a way as many citizens will be satisfied." Many have advocated discarding the term "Kungmin," which was inherited from the era of Japanese colonial rule.

Kim also discussed the problem of teaching the English language at an early age. "It is better to learn foreign languages at an early age than at a later one. Accordingly, the government has decided to teach English at an early age. But children should learn the Korean language well before learning English. They would better be able to lead satisfying social lives only if they achieve an excellent command of both their mother tongue and foreign languages," he said.

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Brunei, Malaysia & Singapore

Malaysia

Mahathir Announces New Cabinet Lineup

BK0305095495 Kuala Lumpur Radio Malaysia Network in Malay 0900 GMT 3 May 95

[FBIS Translated Excerpt] Prime Minister Datuk Sri Dr. Mahathir Mohamed today announced the appointment of five new ministers in a new cabinet lineup. A new ministry called the Ministry of Industrial Development also has been established. The new ministers are Datuk Dr. Abdul Hamid Osman as minister in the Prime Minister's Office; Chua Jui Meng as health minister; Datin Paduka Zaleha Ismail as minister of national unity and community development; Datuk Mustapha Mohamed as minister of industrial development; and Tan Sri Muhyiddin Yassin as minister of youth and sports affairs.

Four key ministries, namely the Ministry of Finance, the Ministry of International Trade and Industry, the Ministry of Information, and the Ministry of Home Affairs, retain their ministers. Dr. Mahathir retains the post of home affairs minister, while Datuk Sri Anwar Ibrahim retains his posts as deputy prime minister and finance minister. Datuk Sri Rafidah Aziz retains her post as minister of international trade and industry and Datuk Mohamed Rahmat retains his post as information minister. [passage omitted on appointment of state-level officials)

New Cabinet Lineup

BK0405044995 Kuala Lumpur THE STAR in English 4 May 95 p 1

[New cabinet as announced by Prime Minister Mahathir Mohamed in Kuala Lumpur on 3 May]

[FBIS Transcribed Text]

THE PRIME MINISTER's DEPARTMENT:	
PRIME MINISTER	Mahathir bin Mohamad
DEPUTY PRIME MINISTER	Anwar Ibrahim
MINISTERS IN THE PRIME MINISTER'S DEPARTMENT	
DEPUTY MINISTERS:	Abang Abu Bakar Mustapha
	Abdul Hamid Othman
	Ariffin Raja Sulaiman
	Ibrahim Saad
	Mohamed Nazri Aziz
PARLIAMENTARY SECRETARIES:	Mohamed Abdullah Azmi Khalid
HOME AFFAIRS MINISTRY	
HOME AFFAIRS MINISTER:	Mahathir bin Mohamad
DEPUTY HOME AFFAIRS MINISTER:	Megat Junid Megat Ayob ong Ka Ting
FINANCE MINISTRY	
MINISTER:	Anwar Ibrahim
DEPUTY MINISTERS:	Wong See Wah
	Affifuddin Omar
PARLIAMENTARY SECRETARY:	Shafie Mohamed Salleh
TRANSPORT MINISTRY	
MINISTER:	Ling Liong Sik
DEPUTY MINISTER:	Mohamed Ali Rustam
PARLIAMENTARY SECRETARY:	Chor Chee Heung
PUBLIC WORKS MINISTRY	
MINISTER:	Samy Vellu
DEPUTY MINISTER:	Railey Jeffrey
PARLIMENTARY SECRETARY:	Yong Khoon Seng
PRIMARY INDUSTRIES MINISTRY	
MINISTER:	Lim Keng Yaik
DEPUTY MINISTER:	Siti Zainab Abu Bakar
ENERGY, TELECOMMUNICATIOINS AND POST MINISTRY	
MINISTER:	Leo Moggie
DEPUTY MINISTER:	Chan Kong Choy
INTERNATIONAL TRADE AND INDUSTRY MINISTRY	
MINISTER:	Rafidah Aziz
DEPUTY MINISTER:	Kerk Choo Ting
PARLIAMENTARY SECRETARY:	Hishammuddin Tun Hussein
AGRICULTURE MINISTRY	
MINISTER:	Sulaiman Daud
DEPUTY MINISTER:	Mahmud Mansor
PARLIAMENTARY SECRETARY:	Abu Bakar Taib
DOMESTIC TRADE AND CONSUMER AFFAIRS MINISTRY	
MINISTER:	Abu Hassan Omar
DEPUTY MINISTER:	S. Subramaniam
PARLIAMENTARY SECRETARY:	Tan Chai Ho
EDUCATION MINISTRY	
MINISTER:	Datuk Sri Najib Tun Razak
DEPUTY MINISTERS:	Datuk Dr.Fong Chan Onn
	Datuk Khalid Yunus
INFORMATION MINISTRY	
MINISTER:	Mohamed Rahmat
DEPUTY MINISTER:	Suleiman Mohamed
PARLIMENTARY SECRETARY:	Shafie Apdal
CULTURE, ARTS AND TOURISM MINISTRY	
MINISTER:	Sabberuddin Chik
DEPUTY MINISTER:	Teng Gaik Kwan

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PARLIAMENTARY SECRETARY:	Mohamed Noh Rajab
HUMAN RESOURCES MINISTRY:	
MINISTER:	Lim Ah Lek
DEPUTY MINISTER:	Abdul Kadir Sheik Fadzir
SCIENCE, TECHNOLOGY AND ENVIRONMENT MINISTRY	
MINISTER:	Law Hieng Ding
DEPUTY MINISTER:	Abu Bakar Daud
HOUSING AND LOCAL GOVERNMENT MINISTRY	
MINISTER:	Ting Chew Peh
DEPUTY MINISTERS:	Mohamed Tajol Rosli Ghazali
	Peter Chin Fah Kui
DEFENCE MINISTRY	
MINISTER:	Syed Hamid Jaafar Albar
DEPUTY MINISTER:	Abdullah Fadzil Che Wan
RURAL DEVELOPMENT MINISTRY	
MINISTER:	Annuar Musa
DEPUTY MINISTER:	K. Kumaran
PARLIAMENTARY SECRETARY:	Douglas Uggah Embas
FOREIGN AFFAIRS MINISTRY	
MINISTER:	Abdullah Ahmad Badawi
DEPUTY MINISTER:	Leo Michael Toyad
LAND AND COOPERATIVE DEVELOPMENT MINISTRY	
MINISTER:	Osu Sukam
DEPUTY MINISTER:	Goh Cheng Teik
PARLIAMENTARY SECRETARY:	Fauzi Abdul Rahman
YOUTH AND SPORTS MINISTRY	
MINISTER:	Muhyiddin Yassin
DEPUTY MINISTER:	Loke Yuen Yow
PARLIAMENTARY SECRETARY	Shahrizat Abdul Jalil
NATIONAL UNITY AND SOCIAL DEVELOPMENT MINISTRY	
MINISTER:	Paduka Zaleha Ismail
DEPUTY MINISTER:	Peter Tinggom
PARLIAMENTARY SECRETARY:	G.Palanivel
HEALTH MINISTRY	
MINISTER:	Chua Jui Meng
DEPUTY MINISTER:	Zaharah Sulaiman
PARLIAMENTARY SECRETARY:	Mahalingam
ENTREPRENEUR DEVELOPMENT MINISTRY	
MINISTER:	Mustapha Mohamed
DEPUTY MINISTER:	Haji Idris Jusoh

Mahathir on New Business Development Ministry

BK0405110695 Kuala Lumpur BERITA HARIAN in Malay 4 May 95 p 1

[FBIS Translated Text] Kuala Lumpur, Wed [3 May]—Prime Minister Datuk Sri Dr. Mahathir Mohamed has said the government established the Ministry of Business Development in a new effort to strike an economic balance among all races in the Malaysia.

Dr. Mahathir explained that it became necessary to establish the new ministry to focus on the development of businesses as proposed at the Third Bumiputera [indigenous people's] Economic Congress.

"It is very important to develop businesses, especially among the indigenous people, because the country is in the process of creating a balance in the economic status of the races here. The best thing to do is produce efficient businesses among the indigenous groups," he said after announcing the new cabinet lineup today.

The Ministry of Business Development is under the leadership of Minister Datuk Mustapha Mohamed and his deputy, Idris Jusoh. Mustapha won Kelantan's Jeli parliamentary seat in the recent general election, while Idris won Terengganu's Besut parliamentary seat.

Dr. Mahathir said the new ministry will take over several functions of agencies that were previously under the defunct Ministry of Public Enterprises.

The Ministry of Justice was also abolished. He said matters that were under the jurisdiction of the defunct Ministry of Justice will be given back to the Prime Minister's Department (JPM), because the functions of the ministry were handled all along by ministers in the JPM.

In view of this, he said, legal and justice affairs have been charged to Datuk Abang Abu Bakar Mustapha, the minister in the JPM.

Responding to journalists' question on the appointment of former Justice Minister Datuk Syed Hamid Albar as the new defense minister, Mahathir said: "I trust that Syed Hamid gained lots of experience as a minister in the JPM, and I am sure that he is ready to shoulder the responsibilities of the Defense Ministry."

Singapore

Australian Governor General Arrives in Singapore

BK0105143695 Singapore Radio Corporation of Singapore in English 1300 GMT 1 May 95

[FBIS Transcribed Text] The Australian governor general has arrived in Singapore for the start of a three-day state visit. Mr. Bill Hayden, who is accompanied by his wife and a 10-member delegation, was met at the Changi Airport early this evening by Mr. Abdullah Tarmugi, the acting minister for community development.

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It is the first time Mr. Hayden is in Singapore as governor general, representing Queen Elizabeth as head of state for the Australian Commonwealth. Mr. Hayden's visit is expected to reaffirm the excellent bilateral ties that already exist between Australia and Singapore. His meetings with leaders here are likely to touch on economic and trade issues.

Mr. Hayden will be given a ceremonial welcome at the Istana [State Palace] tomorrow morning.

Meets With Go Chok Tong

BK0205110595 Singapore Radio Corporation of Singapore in English 1000 GMT 2 May 95

[FBIS Transcribed Text] Bilateral ties between Singapore and Australia were strengthened today with the start of Australian Governor General Bill Hayden's state visit to the republic. It is the first time Mr. Hayden is visiting Singapore as a representative of the Queen as Australia's head of state. Mr. Hayden also held talks with Prime Minister Goh Chok Tong during which economic cooperation projects and security issues were discussed. A lunch hosted by Mr. Goh shows Singapore's openness to Australia's aiming to be active in Asian affairs. This was reaffirmed when Mr. Hayden met Senior Minister Lee Kuan Yew this afternoon. Mr. Hayden will attend a state banquet in his honor at the Istana [State Palace] tonight.

Minister Reaffirms IPR Protection

BK0305120695 Singapore Radio Corporation of Singapore in English 1000 GMT 3 May 95

[FBIS Transcribed Text] Singapore is committed to further protecting intellectual property rights [IPR]. The trade and industry minister, Yeo Cheow Tong, made his assurance at the groundbreaking ceremony of pharmaceutical firm Schering-Plough's facility in Tuas.

(Jane Vinkar) reports: [Begin recording] [Vinkar] Mr. Yeo said an interministry committee will be set up to look in particular at the agreement on trade-related aspects such as intellectual property rights. The agreement aims to protect patent legislation, copyrights, trademarks, and designs and it forms an integral part of the Uruguay Round of trade talks. Mr. Yeo said the committee will review what Singapore needs to do to meet its obligation as a signatory. He added Singapore will look at the experiences of countries like Australia and the U.S. in implementing their obligations.

[Yeo] We hope to go to Parliament in the later part of this year. We hope to get it completed. I think we are actively promoting [words indistinct].

[Vinkar] Granted pioneer status by the Economic Development Board, Schering-Plough is the first U.S. pharmaceutical company to set up a plant here. The [Singapore] $300-million facility is expected to be operational in two years' time. [end recording]

Cambodia

Khmer Rouge Note 'Oppressive' Clinton Policy

BK0305141095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 3 May 95

[FBIS Translated Text] According to news sources, recently a group of the 20,000-strong U.S. militia in Michigan State bombed a federal government building in Oklahoma City.

The sources said that this blast was an expression of opposition to the Clinton administration's oppressive policy and a demand for freedom.

This event had caused U.S. President Clinton a big headache because it constitutes a serious conflict within the U.S. society.

Observers said that no one believes in the democratic labels used by the United States for pressuring other countries across the world. This is because even the people in the United States itself are oppressed and deprived of their democratic rights to speak, write, and print.

The Americans oppose their government and the people across the world also oppose the insidious policy of the U.S. Administration.

Khmer Rouge Communique on Ethnic Vietnamese

BK0305023395 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 2 May 95

["Press communique" issued by the secretariat of the Provisional Government of National Union and National Salvation cabinet on 1 May; place not given]

[FBIS Translated Text] The cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session on Monday, 1 May, under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the Ntional Army, and with the participation of all its members.

The cabinet examined, discussed, took action on, and made clear its policy toward reports submitted by commissions at all levels and many petitions of the people concerning the presence of the 4 million-plus ethnic Vietnamese.

I. According to the reports submitted by commissions at all levels and the petitions of the people from all social circles, it has become more obvious that more ethnic Vietnamese have continued to pour into Cambodia. Their number is now much more than 4 million.

Concerning the presence of these 4 million-plus ethnic Vietnamese in Cambodia, it should be noted that the PGNUNS has examined, denounced, and condemned this matter, having taken a series of steps on it and having repeatedly made its position clear. The PGNUNS position is as follows:

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1. The 4 million-plus ethnic Vietnamese constitute an enormous and most concrete danger to the existence of the Cambodian nation, people, and race. Numerically, this represents half of the entire Cambodian population. Everyday, they continue to pour in as an uninterrupted influx into the country. People wonder what changes our country's social and demographic outlook will undergo in the next four to five years? At this rate, the Cambodian race will surely be exterminated and Cambodia will become another Kampuchea Kraom [ancient Cambodian territory annexed by Vietnam in the 17th century] within just a generation.

2. The 4 million-plus ethnic Vietnamese in Cambodia constitute a force that is wolfing down Cambodia in a premeditated and systematic manner through a demographic war and a social war, in addition to the military war that communist Vietnam, the alliance, and the two-headed government have been continuing to ignite to this day. These ethnic Vietnamese are well organized. Everywhere, they live under the direct control of the committees and chapters of the Communist Party of Vietnam [CPV]. As for these CPV committees and chapters, they receive direct orders from the CPV committee in Phnom Penh with Le Duc Anh as the responsible official in Hanoi.

3. The 4 million-plus ethnic Vietnamese are staking claims to and grabbing and plundering land, paddies, orchards, rivers, streams, lakes, forests, fish, seas, islands, and all businesses. They are committing wholesale pillage of the Cambodian nation and the people's economy. While they consume, digest, and defecate on the spot, they also plunder, despoil, and ship booty back to Vietnam. The Cambodian people see themselves being robbed of land, paddies, orchards, rivers, streams, lakes, forests, and businesses and being deprived of all means of livelihood. Both in the countryside and in Phnom Penh millions of Cambodians are starving and dying of hunger.

4. The 4 million-plus ethnic Vietnamese are constantly implementing a policy of plunder, fomenting hooliganism, creating insecurity, and promoting thievery and robbery. Anarchy, brothels, opium dens, and AIDS and other social diseases are proliferating.

5. The 4 million-plus ethnic Vietnamese are snuffing out Cambodia's national soul. They are perverting and adulterating the fine culture and civilization and the clean traditions, mores, and customs of our Cambodian people.

In short, the presence of the 4 million-plus ethnic Vietnamese poses the greatest danger to the existence of the Cambodian nation, people, and race. It constitutes the crudest, most savage violation of the Cambodian people's right to self-determination. It constitutes the crudest, most savage violation of the principles of the UN Charter and international law, especially the 12 August 1949 Geneva Convention, which absolutely forbids any aggressor country to settle its people in any country it has invaded and occupied. It also constitutes a great menace to regional peace, stability, and security.

II. Why has it been impossible so far to solve the ethnic Vietnamese problem and why has the number of these ethnic Vietnamese steadily increased? It is because:

1. Communist Vietnam has not given up its strategy to wolf down Cambodia and integrate this country into its Indochinese federation. After losing a military war, it is now employing a demographic war and social war to continue implementing this extremely criminal strategy.

2. UNTAC [UN Transitional Authority in Cambodia] and the alliance ingratiated itself with communist Vietnam and did not implement the Paris agreement. Instead, in a shady manner, it conjured up the two-headed government and used it as a smokescreen to cover up and protect communist Vietnams's military and civilian administrations at all levels.

3. Communist Vietnam, the alliance, and their lackey, the two-headed government, have continued to ignite the communist Vietnamese war and undermine national reconciliation and peace. On the one hand, communist Vietnam is promoting the continuation of the war and, on the other, it is rushing more ethnic Vietnamese into the country by land, river, and sea without letup.

4. The military and civilian administrators in Cambodia at present—from Phnom Penh down to the villages—belong 100 percent to communist Vietnam.

III. Concerning this problem of the 4 million-plus ethnic Vietnamese, for the information of the Cambodian nation and people and international opinion, the PGNUNS and the Cambodian National Union Party would like to once again affirm their position as follows:

1. All ethnic Vietnamese in Cambodia, who constitute communist Vietnam's aggressor forces in all their different categories, must return to Vietnam to the last man.

2. For the time being, all ethnic Vietnamese must be rounded up and placed in camps, as is being done in other countries in the region and the world. At the same time, a proper immigration law and a nationality law must be promulgated. These laws must guarantee respect for Cambodia's independence, sovereignty, and territorial integrity and the Cambodian people's right to self-determination. They must be implemented in the same way as other countries have implemented and are implementing them in relation to their illegal immigrants.

3. Only in this way can the Cambodian nation, people, and race be saved; can Cambodia be guaranteed to be an independent and sovereign state with its territorial integrity; and can the Cambodian people enjoy the right to self-determination as the masters of their own country and of their land, paddies, orchards, rivers, streams, lakes, and forests. Only in this way can the Cambodian people have resources with which to work for a living. Only in this way can the principles, international law, and practices that are being observed by other countries be correctly observed here.

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Monday, 1 May 1995;
The secretariat of the PGNUNS cabinet

Khmer Rouge 'Appeal' Urges Troops To Flee

BK0405110195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 3 May 95

["Station appeal"]

[FBIS Translated Text] To all the two-headed soldiers: The rainy season has come. The rains have already begun to fall in some areas. Everyone knows that during rainy season, artillery and tanks cannot be deployed and trucks cannot transport supplies and ammunition anywhere. Although you had artillery and tanks during the dry season, you still lost. You could not counter the National Army of Democratic Kampuchea and the people. What will happen in the rainy season, when you have no tanks, artillery, or trucks to transport supplies and ammunition? Will you be able to survive, especially those soldiers forced by the two-headed commanders to serve in the remote countryside?

The path to death is so obvious; you will not be able to avoid it during the next six months of the rainy season. Are you willing to die needlessly in place of the communist Vietnamese; the alliance; and Hun Sen, Chea Sim, Ranariddh, and Sar Kheng, who are extremely corrupt and traitorous? Is it not better for you to run from the place of dying and rejoin your parents, wives, and children? You should make your own choice.

You soldiers of the two-headed government must know very well how the two-headed troops were routed during the dry season; how they were killed or wounded by punji stakes, poisoned stakes, and mines. You must have seen these events with your own eyes. That was what happened in the dry season. If it had happened in the rainy season, how much worse would it be?

During this rainy season, the National Army and people will intensify their activities against the two-headed elements on all fields to achieve peace and national reconciliation quickly for the nation and people. During this rainy season, all sorts of punji stakes and mines will be planted in larger numbers than before—10, 100, or even 1,000 times more.

More of the two-headed government's transportation lines, large and small, will be cut. Then it will be more difficult for you to flee. You will face certain death with every move you make. For this reason, the radio of our Provisional Government of National Union and National Salvation of Cambodia appeals to the soldiers of the two-headed government to desert the battlefield as soon as possible before the torrential rains begin. If you run, you can live; if not, you will die.

Indonesia

Minister Details Suharto's Talks With Hayden

BK0405103295 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 4 May 95

[FBIS Translated Text] Listeners: The following is Minister- State Secretary Murdiono's news briefing on the outcome of the talks between President Suharto and visiting Australian Governor General Bill Hayden at Jakarta's Merdeka Palace today:

[Begin Murdiono recording] The talks were held in a cordial manner. The two leaders agreed on the great significance of the Australian governor general's visit to Indonesia—this is the first ever visit by an Australian governor general. The two leaders used the meeting to brief one another on the domestic situation in their respective countries. They also exchanged views on regional and international issues.

The president briefed his guest on Indonesia's development program and our preparations to enter our new development stage, known as the Second Longterm Development Master Plan. The president also mentioned several economic and social indicators that reflect our readiness to reach the take-off development stage. To cite an example in the economic field, the president mentioned our success in reducing inflation from 650 percent in the past to less than 10 percent in recent years. We have also boosted our exports from about $350 million to about $36 billion. Other economic indicators include our stronger economic structure. Social indicators include better education, improved public welfare, and a drastic reduction in the number of our brothers living below the poverty line.

The president briefed the governor general on Indonesia's efforts to serve as a facilitator in the conflict in the former Yugoslavia. The two leaders also discussed the future of the nations in this region, especially the prospects for economic cooperation on the eve of the free trade and investment era.

The Australian governor general raised the issue of East Timor, but his questions were not the same as most foreigners tend to ask. His questions were about the government's policies and development programs in East Timor. The president briefed him on the matter; namely, what the government has done since East Timor's integration into our republic. As you know, we have built more social and economic facilities than the Portuguese colonialists did during their occupation of East Timor. The president is aware, however, of the problems that follow rapid economic growth, including unemployment. The president admitted there is not yet a satisfactory solution to the unemployment problem. Unemployment exists not only in East Timor, but also in other parts of Indonesia. [end recording].

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Capture of ABRI Troops in Bosnia Denied

BK0305114595 Jakarta ANTARA in Indonesian 0819 GMT 3 May 95

[FBIS Translated Excerpt] Jakarta, 3 May (ANTARA)—The chief of the ABRI [Indonesian Armed Forces] Information Service says not a single Indonesian military observer or personnel has been taken hostage following a military offensive against Serbian forces by Croatian forces. Despite the attack, the Indonesian medical battalion continues its activities to assist victims of the offensive.

"According to reports we have received, not a single Indonesian military observer or personnel has been injured. The increased activities of the health center at Durovar are aimed at assisting injured troops from other countries," Brigadier General Suwarno Adiwijoyo told ANTARA in Jakarta Wednesday.

He said Indonesian military observers are stationed in Bosnia, not in the Serbian territory which was under the Croatian forces' attack. The Indonesian medical team has had to increase its activities because they are located in the western sector near the battle site.

"Therefore, there is no problem with our forces, including the medical team. They are ready to carry out their duties," he said.

When ANTARA contacted the Indonesian medical center in Durovar, Lieutenant Colonel Haridadi M.Sc [Master of Science], commander of the medical battalion, disclosed that the battle broke out in the western sector so the medical team had to increase its activities to assist the victims. [passage omitted on details of Serbian-Croatian battle]

Foreign Investment Projects Quadruple in 1994

BK0405103195 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 4 May 95

[FBIS Translated Text] As of 29 April 1995, the government had approved 229 foreign investment projects valued at $15.59 billion. This amount is quadruple that of the corresponding period last year.

Briefing reporters after meeting with President Suharto at the South Merdeka Palace this morning, Sanyoto Sastrowardoyo, minister of state for investment promotion and chairman of the National Investment Coordinating Board, said that this year for the first time the value of foreign investments was larger than domestic investments. A total of 286 domestic investment projects valued at 20.7 trillion rupiah were approved by the government over the last four months.

According to Minister Sanyoto Sastrowardoyo, this indicates that more foreign investors are interested in investing in Indonesia:

[Begin Sanyoto recording] Looking at this amount, it shows that foreign investors are interested in making investments in our country. This means that our country is very attractive internationally due to the government's preparations in connection with investment activities. As such, there is a business opportunity as well as supportive regulations that investors like. [end recording]

At the Merdeka Palace, President Suharto also held talks with Australian Governor General Bill Hayden.

Harmoko Reviews Cabinet Meeting on Economy

BK0305113995 Jakarta ANTARA in Indonesian 0840 GMT 3 May 95

[FBIS Translated Excerpt] Jakarta, 3 May (ANTARA)—President Suharto has instructed all sides to monitor the inflation rate as it reached a high 1.69 percent in April 1995.

Following a limited cabinet meeting on economy, finance, development supervision, industry, and trade chaired by the president at the Bina Graha Presidential Office in Jakarta on Wednesday, Information Minister Harmoko quoted the president as instructing every department to enhance coordination to check the inflation rate.

The president demanded that the reasons for the high inflation rate be studied. Food prices increased by 1.34 percent.

"The president has ordered that the reasons for the high increase in the prices of vegetables, instant food, and beverages in April be studied," Harmoko said.

Harmoko said that the head of state called for greater attention to smooth transportation.

According to Harmoko, the head of state instructed banks to facilitate the issuance of credits to small businessmen, which total 20 percent of all credits.

The information minister said the government has formulated credits for farmers under a new system which will involve 2,000 rural cooperative units nationwide.

The high 1.69 percent inflation rate was partly attributed to hikes in the prices of food which reached 1.34 percent, housing 2.31 percent, and miscellaneous goods and services 1.68 percent.

The inflation rate had reached 4.7 percent over the past four months, while the April rate was 1.69 percent, Harmoko said.

Harmoko added that there was a surplus of $440 million (over 880 billion rupiah) in the trade balance for February 1995. Exports and imports amounted to $3.4 billion and $2.98 billion respectively in February. Thus, there was a surplus of $7.5 billion in the balance of trade between April 1994 and February 1995. Exports and imports totaled $38.23 billion and $30.74 billion respectively during the period. [passage omitted on prices of goods]

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Officials Comment on Vice Presidential Post

BK0305115195 Jakarta ANTARA in Indonesian 0626 GMT 3 May 95

[FBIS Translated Text] Jakarta, 3 May (ANTARA)—ABRI [Indonesian Armed Forces] Commander General Feisal Tanjung and Research and Technology Minister B.J. Habibie said the national leadership pattern depends on the decision made by the People's Consultative Assembly, which is in turn elected by the people, and there is no problem as to whether the vice president should be a civilian or a military man.

Speaking before a limited cabinet ministers' meeting in charge of economic and financial affairs at the Bina Graha presidential office in Jakarta on Wednesday, Gen. Feisal said there is no problem as to whether the vice president should be a civilian or a military man as long as the appointment is in accordance with the Constitution and existing regulations.

Earlier, Sudomo, chairman of the Supreme Advisory Council, quoted President Suharto as saying that the vice president should be a civilian.

Gen. Feisal said the issue was not discussed as a special agenda item during a consultative meeting between ABRI and the Supreme Advisory Council several days ago.

Research and Technology Minister B.J. Habibie also made similar remarks to the effect that there is no problem with the vice presidential post as long as the appointment is in accordance with the people's wishes. Habibie said his statement on the vice presidential post is not political engineering launched by certain groups, but constitutes the dynamics of the country's current development level where people already have critical minds. He called such dynamics something normal as long as they do not cause disunity among the people.

Gen. Feisal also commented on the ban of the installation of a new regional executive committee of the Indonesian Democratic Party in East Java, saying that the ban was issued by the local government, not the central government. The East Java local government knows the issue better and is therefore in a better position to comment on it.

Commenting on the recent riots in Maumere, Gen. Feisal said ABRI will not set up a special team similar to the one in East Timor to investigate the issue.

Thailand

Committe Chairman Calls for Burma Policy Review

BK0405042995 Bangkok BANGKOK POST in English 4 May 95 p 1

[FBIS Transcribed Text] House Foreign Affairs Committee Chairman Suthin Nopphaket yesterday urged the Government to review its constructive engagement policy with Burma and to drop an invitation for the reclusive country to observe the ASEAN foreign ministers' meet in Brunei next month.

His statement followed a briefing of the latest situation along the Thai-Burmese border, including the recent intrusion and burning of Karen refugee camps on Thai soil by members of the Democratic Karen Buddhist Army.

The briefing was given to the committee by Pratyathawi Thawedikun, deputy permanent secretary of foreign affairs.

Mr. Suthin said Thailand, at the ASEAN foreign ministers' meet in Bangkok last year, initiated a move that Burma should be invited as an observer to the next meet in Brunei in July, in order to give Burma the opportunity to be exposed to changes in other countries with the hope that Rangoon could be led towards the democratic path.

"But recent developments showed that our efforts have been futile," he said, adding that the committee strongly felt that Thailand's constructive engagement policy towards the ruling State Law and Order Restoration Council (SLORC) should be reviewed.

Thailand, he continued should drop its initiative to invite Burma to observe the ASEAN meeting in Brunei.

The committee feels that response towards Burma over recent border incidents was too slow and not strong enough said Mr. Suthin, adding that there is a lack of coordination among agencies involved in dealing with Burma.

The committee, said Mr. Suthin, suggested the Ministry of Foreign Affairs take the lead role in the coordination.

"If we resort to armed confrontation or violence, the situation would get worse. Every party wants to see a negotiated settlement. In this case, the Foreign Ministry should take the lead role," said the committee chairman.

Creation of National Economic Council Proposed

BK0405042695 Bangkok THE NATION in English 4 May 95 pp B1,B2

[FBIS Transcribed Text] The Foreign Ministry is requesting the Cabinet establish a "National Economic Council", a body designed to formulate Thai international economic strategy. Prime Minister Chuan Likphai will be named chairman of the council.

Thailand is currently creating subregional economic zones including triangle, quadrangle and hexagonal economic cooperation programmes already approved by the Cabinet. However, an agency to systematically coordinate these programmes does not exist.

Kopsak Chutikun, director-general of the Economic Department of the Foreign Ministry, said the National Economic Council will be similar to the National Security Council in that Prime Minister Chuan Likphai is

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chairman and the Economic Minister sits on the committee. High level representatives from the Thai Chamber of Commerce, the Federation of Thai Industries and the Thai Bankers' Association will also be included on the committee.

"The nation's security is now dependent on economics, not the military. In the past Thailand's security was based on military strength, so we had the National Security Council. Now the country's security is based on its economy, so it is high time that we created a National Economic Council," said Kopsak.

Thailand has an International Economic Relations Policy Committee chaired by Deputy Prime Minister Suphachai Phanitchaphak. Dr. Tirana Phongmakapat, a Suphachai adviser, said the International Economic Relations Policy Committee is requesting cabinet make it the central body for international trade negotiations.

Kopsak said the international trade negotiation body is not responsible for formulating economic policy at a national level. The National Economic Council, on the other hand, will be responsible for directing the country's economic policy. He added the International Economic Relations Policy Committee should be made accountable to the National Economic Council.

"The country's National Economic and Social Development Plan encompasses vague policy prospects for the country and may be too short to adequately direct the country's economy. Malaysia, for example, has formulated a policy direction for full industrialization reaching until the year 2020. Thailand lacks an explicit national economic policy. The role of Foreign Ministries in Australia, New Zealand and the UK has already been integrated with other trade agencies in formulating their economic directions," Kopsak said.

He added that Thailand has transformed itself from an agricultural to a light industrial and service based economy. The country's heavy industries, which are a driving force for the country's economy, have not been fully developed. It will be the responsibility of the National Economic Council to ensure the country's economy is headed in the right direction and coordinate prospective economic cooperation.

Financial System Termed 'Soundly Stable'

BK0405043195 Bangkok BUSINESS DAY in English 4 May 95 p F1

[FBIS Transcribed Text] The recent turmoil in the global financial markets, including Thailand, has had little impact on the country's economic stability as the financial system has remained soundly stable, the central bank's deputy governor told a seminar yesterday.

"The first quarter results of the commercial banks and finance and securities companies have proved how rigid Thailand's financial system is," said Ekkamon Khiriwat, the deputy governor of the Bank of Thailand and secretary general of the Securities and Exchange Commission. He was addressing a seminar in Bangkok titled Foreign Exchange Turmoil and Its Impact on Thai Economy.

Mr. Ekkamon added that the drop in profits at most finance and securities houses was a temporary brake after their years of record profits.

One of Thailand's leading foreign exchange experts, Mr. Ekkamon said that the dollar's value would remain volatile in the next few years as the US economic fundamentals—its substantial trade deficit and current account deficit—had yet to be resolved.

He added that the currency basket had proved a useful tool in controlling the exchange rate.

"The recent turmoil in the financial market is not a crisis. Instead it buoys Thailand's exports in the long term, said Mr. Ekkamon.

Wirot Nuankhae, the president and chief executive officer of Phatra Thanakit Finance and Securities, said the baht [Thai currency] would depreciate against the dollar in the new few months. The practical value of the baht against the dollar was expected to be between 24.8 and 25.

Mr. Wirot added that the current local interest rate of 12 to 13 percent was an appropriate level for curbing inflationary pressure.

Thailand's stock market is relatively attractive to foreign investors after dropping about 14 percent since the beginning of the year.

Mr. Wirot predicted another wave of foreign capital would pour into the Thai stock market as overseas investors already understood the economic fundamentals of Thailand.

The banking sector, according to Mr. Wirot, will lead the stock market for the remainder of the year because of the low price earnings and sound fundamentals.

Army Chief on Renewed Raids by Karen Forces

BK0305134095 Bangkok Radio Thailand Network in Thai 1200 GMT 3 May 95

[FBIS Translated Text] Speaking in an interview with reporters about the situation at the Thai-Burmese border, Army Commander General Wimon Wongwanit said that a group of Karen forces today set fire to a 60-house village in Thailand's Mae Hong Son Province. Three border patrol policemen were killed and two wounded. He said the Army had issued a warning to the Karen forces not to create trouble in Thailand. The Army vowed to retaliate with strong action.

Talking about his meeting with Foreign Minister Dr. Krasae Chanawong, the Army chief said they discussed how to solve the problem in a way that would not affect

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national relations. He said a plan to group the Karen refugees together was not meant as detention, but only to provide them safety.

Asked about a long-term solution, the Army chief said a camp will be set up to hold illegal immigrants and those who volunteer to return home will be repatriated and provided with international assistance once back in Burma. There are two options to solve the problem—if the moderate approach fails, strong measures will be taken. He said that, at present, the Defense Ministry has already adopted a strong retaliation policy and does not care what foreigners might think of Thailand since this is Thailand's right.

The Army chief said that Burma refused to admit that the Karen forces, who raided Thailand's villages, are Burmese troops. Therefore, they are the outlawed; Thailand is entitled to take strong measures against them if there is a violation of Thailand's sovereignty.

Further Comment by Wimon

BK0405033895 Bangkok THE NATION in English 4 May 95 pp A1,A3

[FBIS Transcribed Text] Three policemen were killed early yesterday morning in a gunfight with heavily-armed Burmese ethnic troops who crossed the border into Mae Hong Son in the latest and most violent rampage yet on Thai soil.

Police and Thai officials suspected that the intruders were members of the Democratic Karen Buddhist Army (DKBA), a splinter minority Karen group reportedly backed by Rangoon.

The incident, in which another refugee camp was also attacked, fuelled the outrage of the government and Army, and caused widespread panic and anger among Thai villagers along the frontier. Many villagers said they were organizing protests to highlight the government's failure to ensure a safe border.

"The Army has lost patience," Army chief Wimon Wongwanit said. "It is our right to deal with this outlawed group whatever way we want. We don't need to seek cooperation from Burma. We can do it all our way and drastically. We will do it. Just watch and see."

Prime Minister Chuan Likphai said he had given the military "absolute authority" to combat armed incursions into Thailand. He was firm yesterday in announcing the military would not need to seek specific approval to retaliate once intruders had been identified.

Interior Minister Sanan Khachonprasat said: "Since they can kill us, we must kill them."

The DKBA faction has claimed responsibility for repeated raids on Christian Karen refugee camps in Mae Hong Son and Tak provinces, and over the weekend threatened new assaults unless all Karen refugees were moved back into Burma.

The gunfight erupted when between 10 and 20 intruders armed with M-16 and AK-47 assault rifles encountered a checkpoint in Mae Ngao village of Sop Moei district about 1 a.m., officials said.

Five policemen manning the house that served as a border checkpoint put up a fight but were out-gunned. Three police privates were found dead after the 10-minute shootout, while the other two narrowly escaped.

The victims, the first Thai casualties of the on-going aggression, were identified as Phaichit Chitti, Somkiat Thittaecha and Phiphat Hammuangchai.

About 4 am, 30 or 40 armed men crossed from Burma and stormed a refugee camp in tambon Mae Samlap, also in Sop Moei district. The men, wearing green uniforms, burned down more than 100 shelters, torched a small Thai market and robbed a Thai family before crossing the Salween River back into Burma.

Sop Moei district chief Prasoet Osathaphan said the refugee camp had been largely abandoned before the attack. He and Assistant Mae Hong Son Governor Niphon Kampha said they suspected the DKBA were behind the raid and the deaths of the policemen.

The DKBA has mounted a series of violent cross-border raids into Thailand since it broke away from the Karen National Union (KNU) guerrilla group and joined forces with Burmese government troops late last year. Last week the DKBA burnt several Karen refugee camps on the Thai side of the border leaving thousands homeless.

The Army has reinforced the border in Tak with troops, helicopter gunships and armoured personnel carriers. But until yesterday's assault the Mae Hong Son border remained largely vulnerable.

Three gunships took off from an Army base in Tak yesterday in search of the Mae Hong Son raiders. Ground troops were also dispatched but there were no reports of clashes.

The latest incident is likely to increase criticism of the Army, which has been accused of ignorance, poor intelligence and being too diplomatic.

Gen. [General] Wimon indicated he suspected destructive infiltrators mingling with refugees or Karen villagers were behind some incidents.

"Sometimes it's hard to tell a guerrilla from a villager. When they throw away their weapons, they become villagers. And it's so easy to set fire to the make-shift refugee shelters," he said.

Wimon said Thailand had two options.

"We have to make a decision on how to undo the knot—whether to patiently try to work it out, or to cut the rope," the Army chief said.

Foreign Minister Krasae Chanawong said Thailand could apply diplomacy along with military measures to

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deal with the situation, but emphasized the need for care "or a friend will turn into a foe".

Chuan said he had been briefed about the predawn raid by Defence Minister Wichit Sukmak, but the ministry had not yet identified the attackers.

The prime minister was adamant the military must keep a strict vigil to ensure that such an incursion was not repeated.

Chuan acknowledged that the military wanted the Karen refugees to return to Burma, but he noted the refugees evidently did not want to go back.

Wimon said the Karen refugees should remember that they were visitors taking shelter in Thai territory and that they should not create problems here.

"We do not force them to stay in our country. If they want to go home, we will repatriate them. However, they are very happy to live here. They don't have to work, yet they get food to eat and receive medical aid," the general said.

Wimon said he would like international organizations to give assistance to Karen inside Burma, rather than those residing in Thailand.

Responding to questions about relations between Burma and Thailand, Wimon said the Burmese government still had not acknowledged that the intruders along the border were Burmese troops.

"We have to think that they are outlaws. So, we can legitimately take action against those who intrude into our country," he said.

Wimon admitted, however, that there was still a shortcoming in military intelligence, but said it would be improved.

A Thai Army official said yesterday that thousands of Karen refugees would be moved from camps adjacent to the border with Burma to new sites some 10 kilometers inside Thai territory, a proposal floated by Wimon.

The Army, the National Security Council (NSC), and the interior and foreign ministries agreed late on Tuesday that a recent spate of violent raids from Burma warranted the shift to new location, the official said.

Paper Condemns Cross-Border Raids by Karens

BK0305150595 Bangkok MATICHON in Thai 3 May 95 p 2

[Editorial: "Violations by the Karens"]

[FBIS Translated Text] Thailand's sovereignty was violated twice with the cross-border raids by the Karen forces from Burma. The Buddhist Karens, backed by the Burmese military junta, crossed into Thailand and set fire to Karen Christian refugee camps. A Thai military officer was also held for interrogation and later released. The attackers took from the bunker two rifles, radio communications sets, and other military equipment. This is another affliction of Thailand caused by the war in a neighboring country, and which Thailand is not involved in.

The incident could be termed a success for the SLORC [State Law and Order Restoration Council] in its attempt to divide the Karen people. The "divide and rule" theory has always worked. The incident also reflects the mistake of foreign organizations which instilled beliefs into the Karen people, thus alienating them from one another. This is the weakness the SLORC troops exploited to capture the previously strong bases of the Karens and to force them to flee into Thailand.

The fighting which is going on now is in fact an internal affair of Burma, and Thailand will not interfere. However, the crossing of Karen forces from Burma violated Thai sovereignty and nobody can accept that. Even worse, the Karen leader even declared from Burma that his forces would renew attacks on Karens camps inside Thailand regardless of the fact that it would be a violation of Thai sovereignty. Are those people uneducated babarians who have never heard about internationally respected norms of conduct?

It is the duty of the Foreign Ministry to strongly protest to the Burmese military junta and to let SLORC know that Thailand cannot tolerate any more violations. To back up the protests by the Foreign Ministry, the Thai military should retaliate using force against any more violations by foreign forces from Burma. Thailand must make them accept the internationally recognised norms. Otherwise, those barbarians would become even more arrogant and keep on trampling on Thai sovereignty.

The fighting between the Karen factions or the fighting between the Burmese troops and Karen forces, are the internal affairs of Burma. However, Thais should not fight among themselves. What happened to us reflected a lack of close cooperation among concerned agencies in Thailand. All agencies concerned with security along the Thai-Burmese border—the Foreign Ministry, National Security Council, the Army, and the Interior Ministry, must cooperate closely in holding regular discussions and produce prompt evaluations of the situation so that there would be no more loopholes.

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